ALPARGATAS


# 4Q24
# Earnings Release

**VIDEOCONFERÊNCIA**
**February 25th, 2025 | Tuesday**

**Portuguese**
**07:00 am (EST) | 09:00am (BRT)**
**With simultâneos translation into English**

[Zoom access]

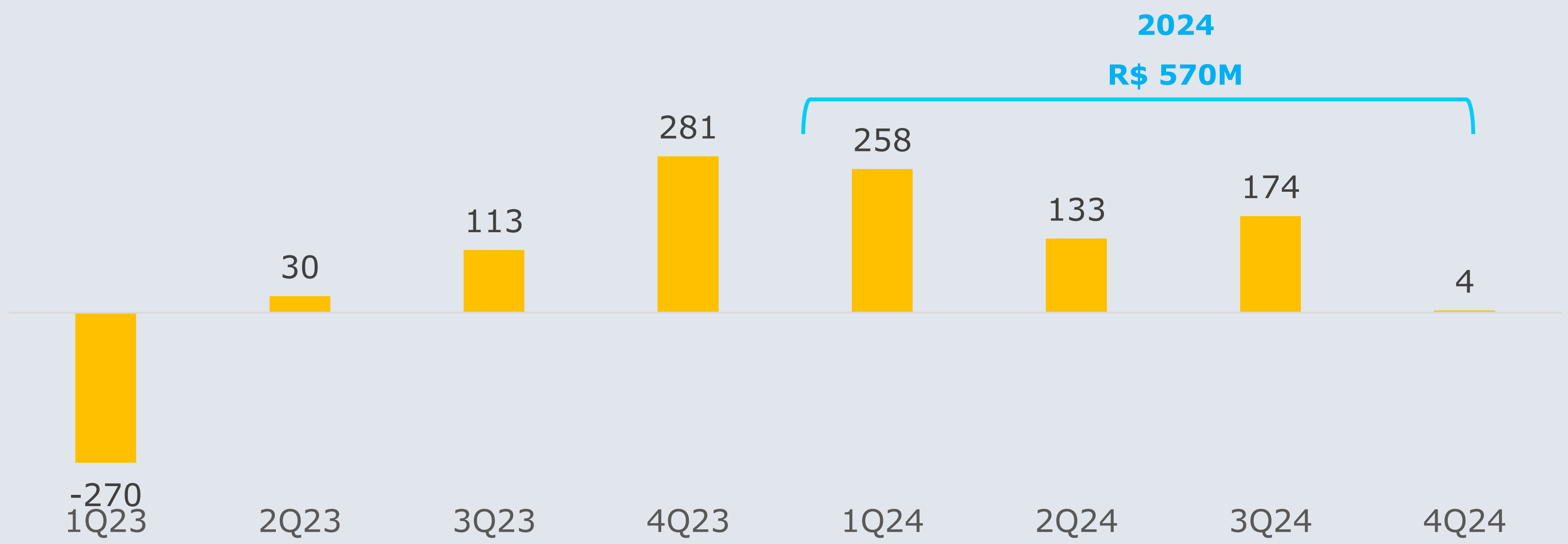
# **Message** from the management

***Rescribere***

As we close another year, we find it essential to reflect on key chapters of our journey—chapters that, little by little, are being rewritten. The year of 2024, in particular, marked significant progress across several of our priority agendas, and we would like to briefly walk through the evidence that these pages now present new narratives and perspectives, while keeping in mind the chapters of our journey that still require progress, complements, and corrections.

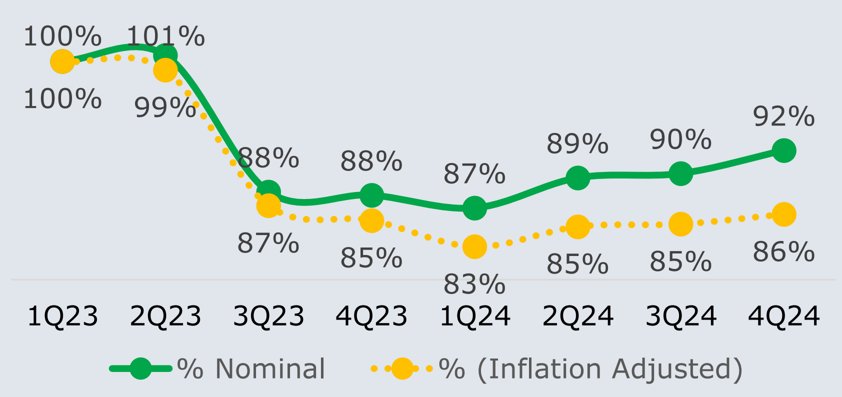
**Chapter 1: Solidity**

Throughout 2024, we remained focused on reversing the trend of leverage and cash consumption, aiming to restore the company's financial health and capital discipline. By implementing cost reduction initiatives, optimizing working capital policies, and prioritizing essential investments, we ended the year with a solid cash position, normalized working capital levels, and consistent operational cash generation. The company closed 2024 with an **operational cash generation of R$570 million**, marking the seventh consecutive quarter of positive net cash generation. Since May of 2023, when we reversed this trend, we have generated a total of **R$1.1 billion** in net operational cash flow.



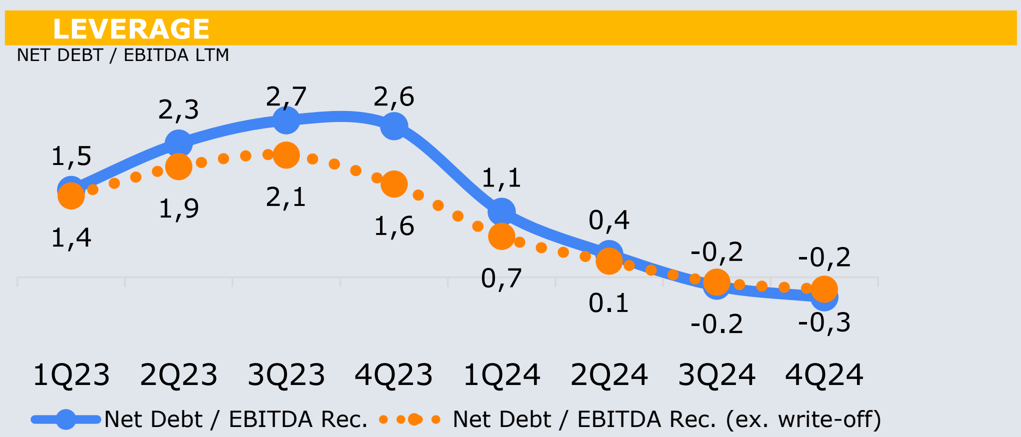

Fixed expenses remain stable, reflecting the gains from structural simplification and our current focus on operational discipline. Efforts to control costs and maintain strict expense oversight continue to show positive trends. In 4Q24, total expenses within the Zero-Based Budget (ZBB) cost packages reached 92% of 1Q23 levels. It is important to note that part of this quarter's expenses was impacted by foreign exchange effects. The currency fluctuation added approximately 4 p.p. to this trend in 4Q24, meaning that, if adjusted for this effect, the actual fixed expense curve (as shown in yellow in the chart below) would be around **82%** in 4Q24. We emphasize that we will remain diligent in preserving the efficiency gains achieved so far, while recognizing that this is an ongoing and permanent effort for the company.

**ZBB FIXED EXPENSES PACKS[1]**



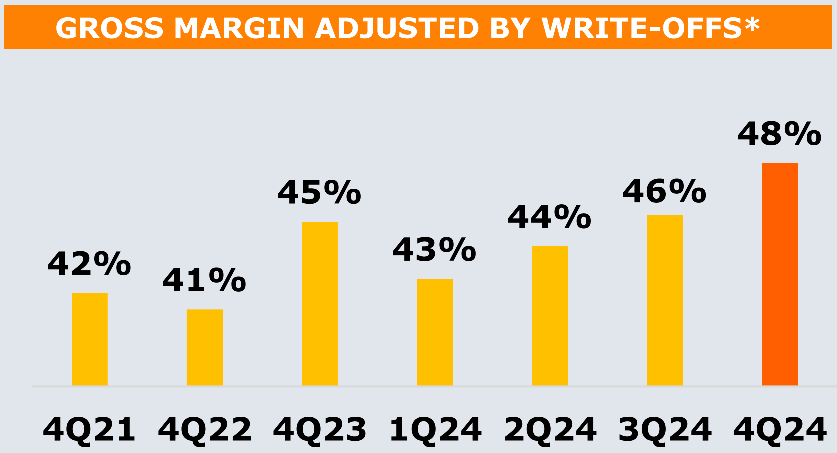
# **Message** from the management

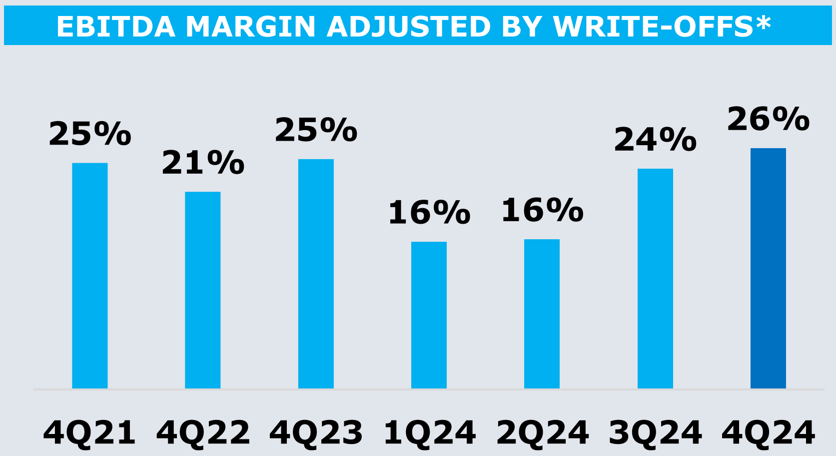
Now at normalized levels, working capital variation in 4Q24 was R$41.8 million, benefiting from the impact of inventory write-off provisions. Throughout the quarter, we advanced the implementation of our priority projects, investing **R$77.4 million** in 4Q24 and completing **R$159.0 million** in annual investments, fully aligned with our approved capital budget for the year. This investment volume was 53% lower than in 2023 and 77% lower than in 2022, which we understand have led the company to a more balanced approach between investment opportunities and disciplined resource allocation. We recognized that rebuilding our financial strength had to be the first chapter we needed to rewrite. In 2024, we remained focused on cash generation, which stayed positive, successfully reversing the leverage trend and bringing the company to a net cash position.




**Chapter 2: Scale and Profitability in Brazil**

In our Brazilian commercial operations, the plan was to restore Havaianas' competitiveness and protect our market leadership. From the beginning of this journey, we emphasized the importance of regaining our operational scale as a key driver in recovering unit margins and overall results in Brazil. To achieve this, we implemented a series of strategic actions, including pricing adjustments, portfolio optimization, revitalized marketing initiatives, corporate structure adjustments, enhanced planning and logistics processes, and increased industrial productivity. As a result of these efforts, we closed 2024 with 204 million pairs sold, reflecting an **11.1% volume** increase, a 4.4% higher revenue per pair, and margin levels aligned with the company's historical benchmarks. **Gross Margin** for the year reached **45.4%**, excluding the impact of write-offs, while **adjusted EBITDA margin** (excluding write-offs) reached **21.4%**.




In 4Q24, in particular, Havaianas Brazil's performance reinforced the effectiveness of the actions implemented and the strength of the brand, which responded quickly and positively to the planned strategic adjustments. Sales volume grew by **4.8%**, and net revenue reached **R$ 980 million**, reflecting a **9.4%** increase compared to 4Q23. Gross margin for the quarter was 36.8%, impacted by inventory write-offs, which reduced margins by 11 p.p. However, excluding this effect, adjusted **Gross Margin** stood at **47.8%**, surpassing the best fourth-quarter margins in our recent history—a testament to our continued manufacturing efficiency gains.

# **Message** from the management

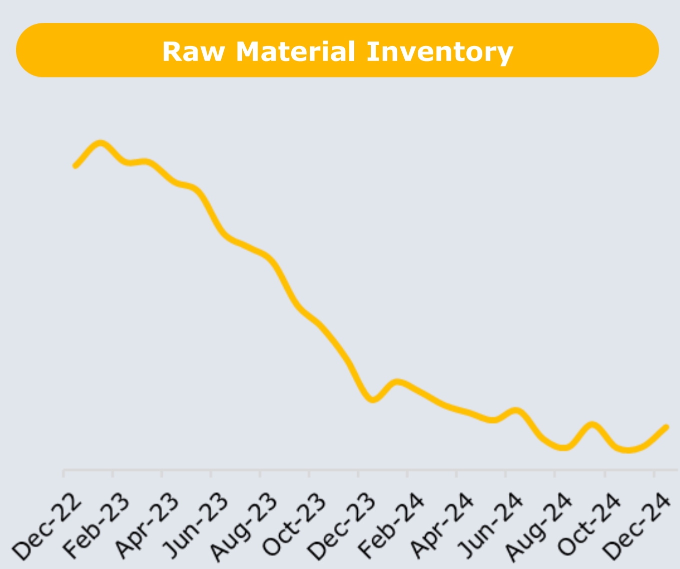
EBITDA for Havaianas Brazil reached R$148.8 million in the quarter, with an **EBITDA margin of 15.2%**, or **R$256.6** million and a **26.2%** margin when excluding inventory write-offs.

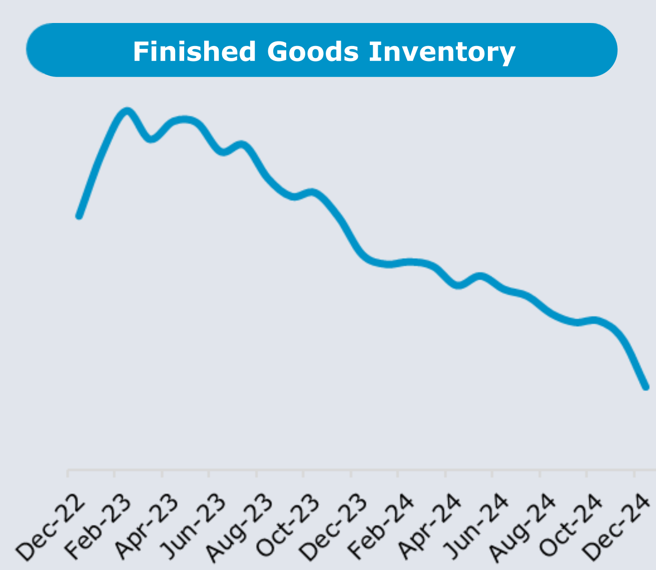
The quarter's results also reflect improvements in delivery accuracy indicator (OTIF), which, despite seasonal factors, remained solid at around **70.0%**. Additionally, the Black Friday campaign played a crucial role in protecting our market leadership. The commercial team continues to enhance execution at points of sale, with more promoters and closer engagement with customers, ensuring a consistent presence that is closely aligned with the needs of each channel.

**Chapter 3: Inventories**

Another chapter that required a significant strategic shift in our journey was related to inventory levels and the corresponding working capital consumption. This is because the Company had accumulated a significant high volume of raw material inventory throughout 2022. In 2024, we focused on making the final adjustment to these levels, a process that had already begun in 2023, and, most importantly, on enforcing stricter adherence to the technical bands set by our policies. This has led to a substantially lower level of capital employed, as well as more controlled fluctuations— now better aligned with the natural variations of our operations.

In the case of finished goods, we recognize that increased complexity and a significant expansion in the number of SKUs —particularly after 2020— had driven inventory levels to distorted levels. Throughout 2024, we remained committed to correcting this trajectory. This allowed us to continue reducing working capital levels, while sharpening our focus on core products and operational simplification. As a result, we aligned inventory levels more closely with our operational volumes, while also gradually improving its composition.



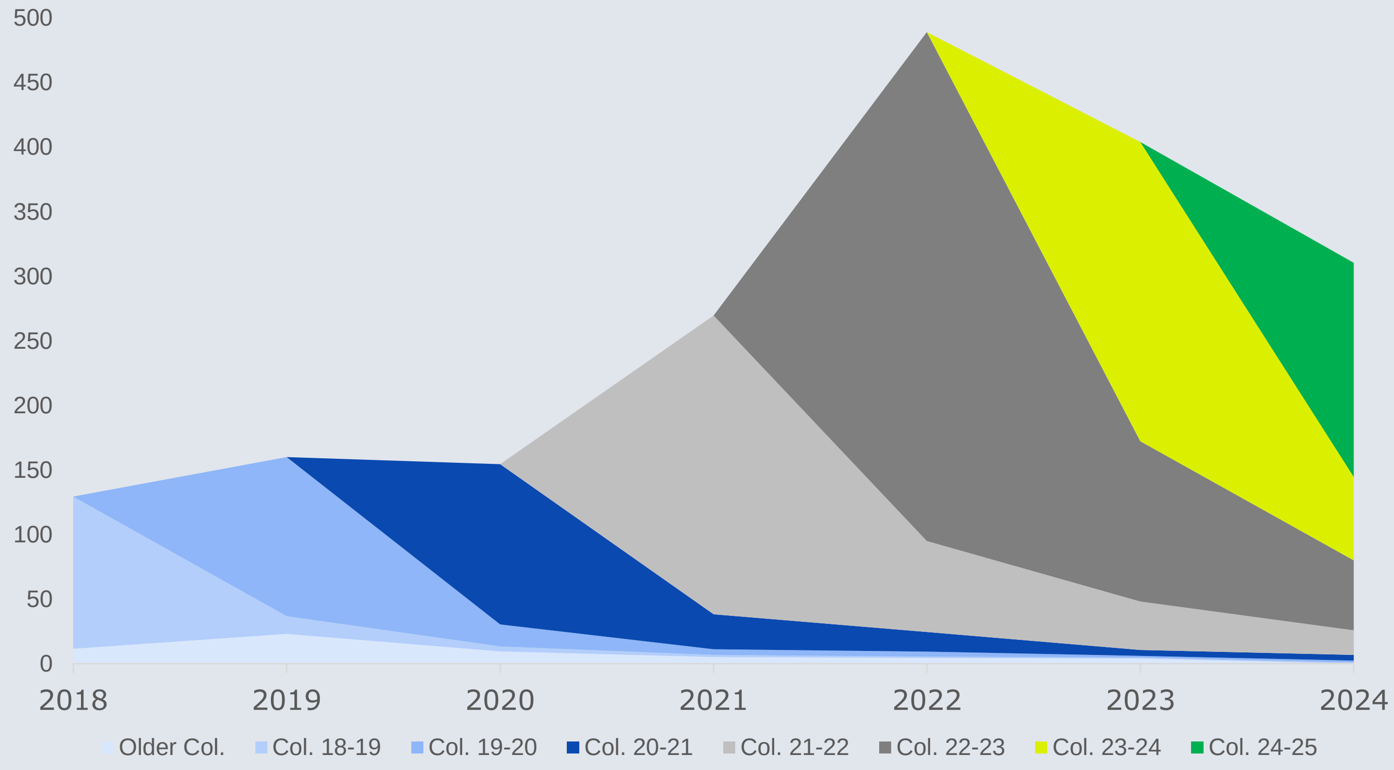

In 2024, we implemented a substantial reduction in the number of SKUs for the current collection, mitigating the risk of generating new significant excess of inventory. At the same time, we focused on correcting inventory levels of past collections, particularly remaining beyond the core products. As a result of these efforts, we sold part of the inventory of discontinued products throughout the year, primarily through targeted seasonal campaigns concentrated in 4Q24, without impacting sales of the current collection.

Despite this significant inventory monetization, we ended the year with an inventory composition still skewed toward past collections, exceeding normalized historical levels. As a result, for the Brazilian operation, the company recognized a **R$108 million** inventory write-off provision in 4Q24, primarily related to beyond the core, discontinued products with low monetization potential.

# **Message** from the management

The international operation, subject to the same effects, also underwent an inventory write-off process, resulting in the recognition of **R$57 million** in write-offs in 4Q24.

The chart below illustrates inventory levels by collection at the end of each year, highlighting that in earlier years, inventory was more balanced and primarily concentrated in current collections. However, in 2021 and 2022, there was a sudden and substantial inventory buildup. Despite monetization efforts throughout 2023 and 2024, we still ended the year with a disproportionately high presence of past collections in inventory. Given this scenario, we deemed the provisions necessary to normalize inventory composition, aligning it with historical levels from previous years.




*Final stock position as of Dec/24 before W. Off adjustment

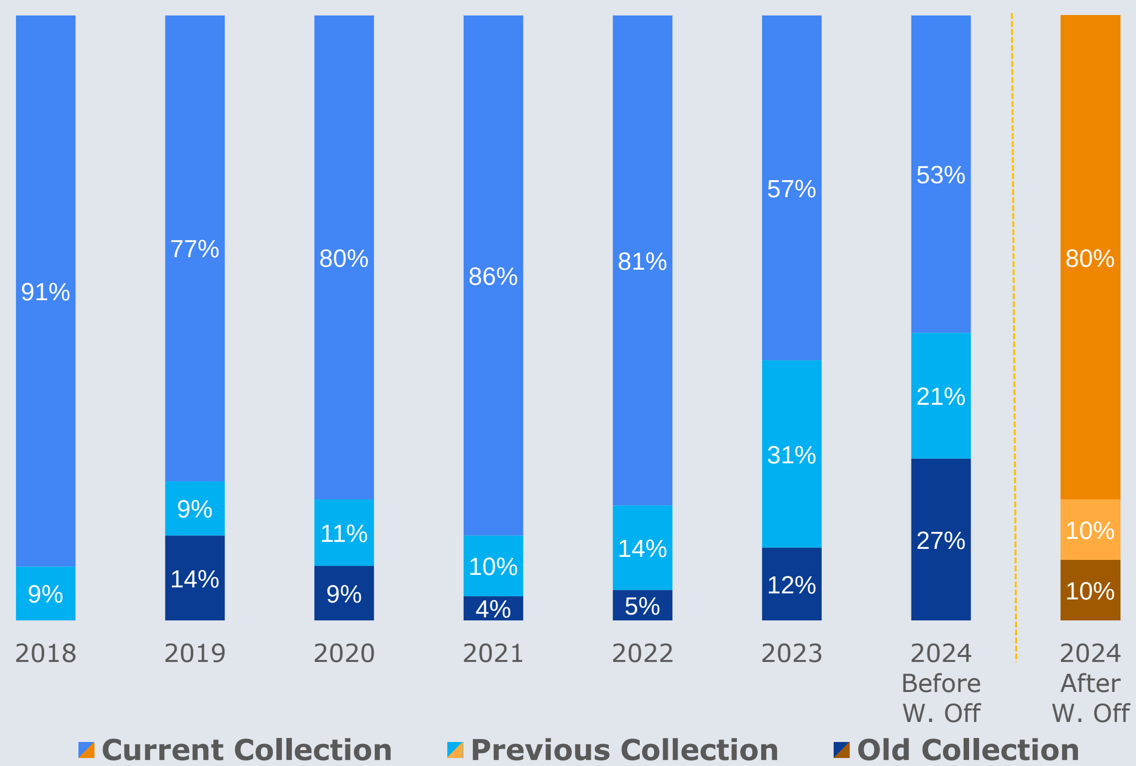
While inventory write-offs are an inherent part of operations that involve collection changes and a production-to-stock model, we recognize that the write-off levels recorded over the past two years were higher than normal, primarily due to the inventory surplus generated in 2021 and 2022. On the other hand, with these provisions in place, we now see a healthier inventory composition, both in terms of greater concentration in core products and improved aging profiles. In Brazil, for example, we ended the year with approximately 90% of inventory composed by flip-flops, mainly from the previous and current collections. The international operation also achieved a more balanced inventory mix, better aligned with its sales profile.

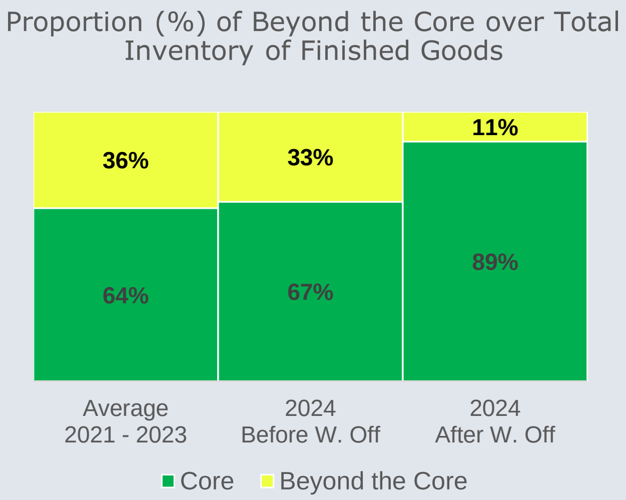
With this, we believe the company is now well-positioned to maintain a more controlled approach to inventory management and liquidation. This does not mean that we will no longer face inventory challenges, as they are intrinsic to the business. Fine-tuned inventory control, occasional collection leftovers, natural liquidation processes, and occasional write-offs will remain part of our operations. However, with the provisions made, structural SKU adjustments, improved production planning controls, and stronger alignment with commercial strategies and structured liquidation actions, we expect to be in a better position to avoid the excessive surpluses observed in recent years.

As a result, 2024 was a year in which we were able to rewrite key structural aspects of this chapter, both by optimizing business processes and by correcting our inventory composition.

# **Message** from the management

Below, we can observe the historical inventory composition for the Brazil operation, highlighting the increase in the share of past collections and beyond the core products over time. The subsequent provisions have now brought inventory levels closer to those seen in earlier historical periods, ensuring a more balanced and strategic inventory position.




**Chapter 4: Rebalancing International Operations**

Our international operation, which for several years made a significant contribution to the company's consolidated results, became loss-making in the past year. This was driven, among other factors, by consecutive declines in volume in the European market, our largest market outside Brazil. This scale compression not only reduced our overall business volume but also had a notable impact on our unit margins in that market. We understand that there is no single cause behind this trend, but rather a combination of factors, including misaligned pricing and underinvestment in marketing, leading to velocity loss, operational inefficiencies and logistical disruptions, impacting our ability to properly supply customers, and distribution losses, which in turn led to further declines in sell-in and sell-out. In other regions, we also faced excess inventory in the supply chain and pricing gaps, where our products were below the levels needed to ensure adequate profitability.

Given this scenario—and knowing that most of these markets are highly seasonal with short sales cycles—we anticipated that this would be a longer-term challenge to fully resolve. However, we also understood the importance of promptly initiating the necessary corrective actions.

In this regard, 2024 was a pivotal year. While there is still much work to be done, we took critical first steps to redirect the business. The first priority was to clearly define our key strategic markets for the team and ensure that our resource allocation was aligned with these priorities, which we successfully implemented. At the same time, it was essential to restore our service level to rebuild credibility with customers in Europe. We made substantial progress on this front, reaching an average OTIF of 55% (vs. 16% in 2023). While this is still below our target, it represents a significant step in the right direction.

# **Message** from the management

In Europe, we also began restructuring and resizing operations, simplifying and centralizing back-office functions, an essential step toward margin recovery. Additionally, it was crucial to restore brand investment to healthier levels, aligning with industry standards. We executed iconic marketing initiatives in the region, strengthening brand positioning and reestablishing Havaianas as an aspirational brand.

Still in Europe, proactive inventory replenishment efforts in 1Q24 helped demonstrate service level improvements following the correction of previous logistical issues. We restructured our commercial team, bringing in professionals with sector expertise and in-depth market knowledge to reopen doors and regain customer presence. In 4Q24, a seasonally weaker period in the region, volume reached **1.0 million pairs**, growing **9.7%** YoY, driven by strong performance in MEA. Ongoing efforts to restore profitability and scale remain focused on rebuilding our customer base and expanding Havaianas' presence across key strategic channels. Although we are still far from the operational scale we previously had in the region, the pre-sales performance in 2024 provides encouraging signs that we have begun to rewrite this chapter.

In distributor-led markets, inventory right-sizing actions had a rapid impact, leading to a resumption of sell-in growth. The standardization of commercial policies and pricing has already begun to show positive results since 3Q24, with price corrections in some geographies. This realignment, anchored in price adjustments and new commercial terms and conditions, has impacted volumes in certain regions but remains aligned with our strategy to prioritize operational profitability. Sales volume reached **1.8 million pairs**, declining 22.7% YoY, primarily due to price adjustments in Latin American markets.

In the United States, we recorded a **29.0%** increase in sales volume compared to 4Q23, which, while positive, is still insufficient to fully absorb regional expenses. We remain focused on exploring alternative business models that will allow us not only to balance costs but also build a long-term growth strategy in the US market.

Consolidated **Gross Margin** in international operations reached 0.5%, or **45.1%** when excluding the impact of inventory write-offs.

**Chapter 5: Marketing Strategy and Brand strengthening**

Another fundamental chapter in our journey was ensuring that we returned to appropriate levels of marketing investment, particularly those directed at the Havaianas brand. In 2024, our total marketing investment reached R**$389 million**, marking a significant recovery compared to 2023. In 4Q24, our marketing spending also returned to normalized levels, with Havaianas gaining visibility once again through a well-structured planning approach. During the quarter, we invested R$72.4 million, reflecting a 13.0% increase vs. 4Q23, or 6.5% of net revenue, the same level recorded in the same period last year. We will continue to invest in our brand with enthusiasm and discipline, always seeking optimization opportunities, ensuring that geographical allocations align with our strategy, balancing investment levels with topline performance, but above all, remaining fully committed to making brand equity a central part of our long-term value creation.

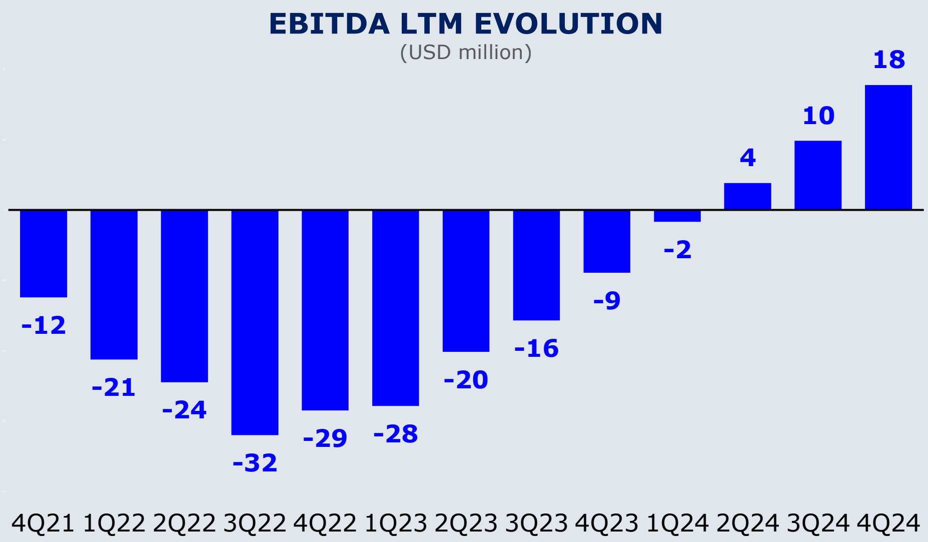
In 2024, marketing played a central role in supporting our commercial operations, driving greater consumer engagement and strengthening the Havaianas brand. This year, Havaianas was recognized as one of Brazil's most beloved brands, according to the "Brands That Conquered Brazil" ranking by Ecglobal. This recognition not only reinforces our deep connection with consumers but also validates the strategic investments made to elevate Havaianas' brand image.

# **Message** from the management

In addition to the portfolio optimization efforts already mentioned, including the reduction in the number of SKUs, we launched a new line of men's flip-flops, featuring different price ranges and shapes, a portfolio where we see significant opportunities for Havaianas. This launch addresses a gap in our product lineup and is expected to be a key driver of greater competitiveness, not only in the grocery channel but also in specialized retail.

**Chapter 6: Rothy’s**

Finally, we believe it is important to highlight that in 2024, we maintained a strong focus on our investment in Rothy’s, prioritizing topline growth recovery and the efficiency gains necessary to bring its results back into positive territory. For the full year, Rothy’s generated revenue of **$211 million**, reflecting a **16.8%** increase, while in 4Q24, revenue reached **$78.1 million**, a **20.1%** growth compared to the same period last year, driven by a well-executed product and channel strategy. Manufacturing efficiency, along with freight and distribution cost optimization, have been key factors in Gross Margin expansion, which closed the quarter at 66.7%, representing a +7.3 p.p. increase compared to 4Q23. Most importantly, 2024 marked the turning point in Rothy’s profitability, as the company successfully moved into positive territory, closing 4Q24 with an LTM EBITDA of **$17.7 million**. We believe this was a key milestone in reshaping Rothy’s financial trajectory.




**Chapter 7: What else is there to write ahead?**

There is still much ahead, and we are fully aware of the challenges that lie before us. We know that what we have already rewritten will still require ongoing attention and effort. We also recognize that there is still much to write, improve, and learn. We will move forward with financial discipline, pursuing efficiency, closely managing our inventory, strengthening our presence and profitability in Brazil, rebuilding scale and efficiency in Europe, seeking solutions for the U.S. operation, increasing focus on priority distributor markets, preserving profitability in less strategic markets, investing in our brand, and ensuring our portfolio companies remain focused on the right priorities.

In 2024, we achieved an **Adjusted EBITDA of R$353 million**, with a margin of **8.6%.** Excluding inventory **write-offs**, **EBITDA** reached **R$575 million**, with a **14,0%** margin. In 4Q24, the consolidated Havaianas’ operation recorded Adjusted EBITDA of **R$30.1 million**, or **R$194.4 million**, with an adjusted margin of **17.8%**, excluding the effects of write-offs. We have made progress. We have improved across many areas, but we believe we are still far from our full potential. What we have already achieved excites us. What we have yet to accomplish motivates us. The pages ahead inspire us as much —if not more— than those we are gradually leaving behind.

# **Havaianas** Performance

**Brazil volume**
**62 million of pairs vs.**
**59 million in 4Q23**

**International Volume**
**3 million vs.**
**3 million in 4Q23**

**Brazil Net Sales**
**R$ 980 million vs.**
**R$ 895 million no 4Q23**

**International Net Sales**
**R$ 127 million vs.**
**R$ 97 million no 4Q23**

**Brazil Gross Margin ex. write-off**
**47.8% vs. 45.2% no 4Q23**

**International Gross Margin ex. write-off**
**45.1% vs. 26.6% no 4Q23**

**EBITDA ex. write-off**
**R$ 194 million vs.**
**R$ 136 million no 4Q23**

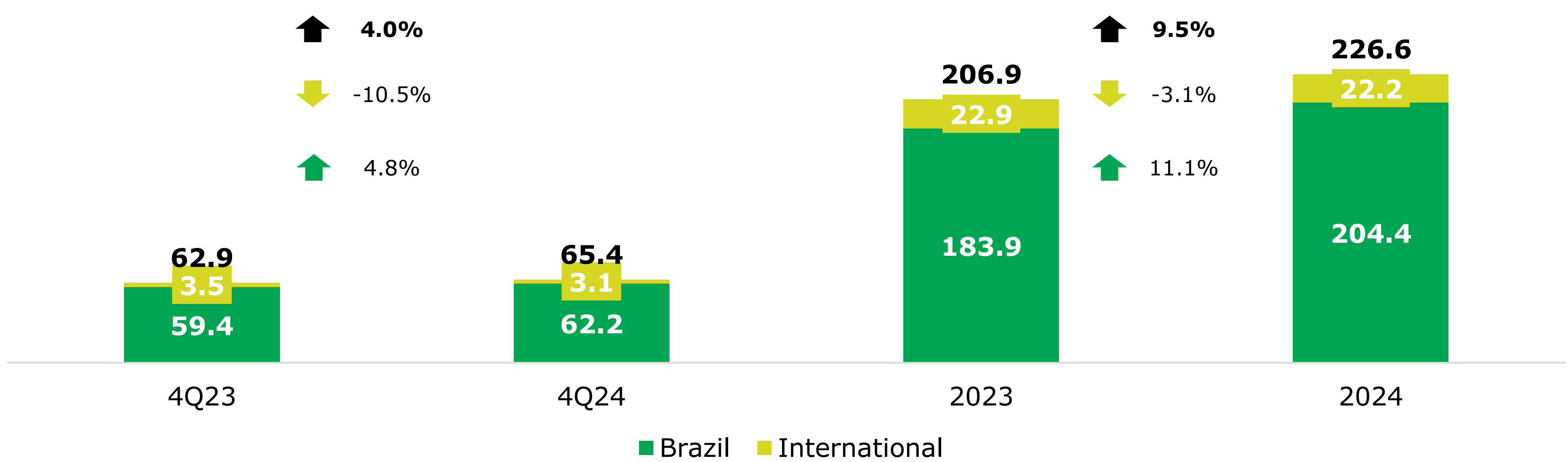
**EBITDA Margin ex. write-off**
**17.6% vs.**
**13.8% no 4Q23**

## Operational and Financial Indicators

| **(million pairs)** | **4Q24** | **4Q23** | **4Q24 vs. 4Q23** | **2024** | **2023** | **2024 vs. 2023** |
|---|---|---|---|---|---|---|
| **Volume** | **65.4** | **62.9** | ***+4.0%*** | **226.6** | **206.9** | ***+9.5%*** |
| Brazil | 62.2 | 59.4 | *+4.8%* | 204.4 | 183.9 | *+11.1%* |
| International | 3.1 | 3.5 | *-10.4%* | 22.2 | 22.9 | *-3.1%* |

| **(R$ million \| R$ / pair)** | **4Q24** | **4Q23** | **4Q24 vs. 4Q23** | **2024** | **2023** | **2024 vs. 2023** |
|---|---|---|---|---|---|---|
| **Net Sales** | **1,106.5** | **991.8** | ***+11.6%*** | **4,061.2** | **3,689.9** | ***+10.1%*** |
| Brazil | 979.7 | 895.2 | *+9.4%* | 3,106.5 | 2.716.4 | *+14.4%* |
| International | 126.8 | 96.6 | *+31.3%* | 954.6 | 973.6 | *-1.9%* |
| **Gross Profit** | **361.2** | **353.7** | ***+2.1%*** | **1,741.5** | **1,473.7** | ***+18.2%*** |
| *Gross Margin (%)* | *32.6%* | *35.7%* | *-3.0pp* | *42.9%* | *39.9%* | *+2.9pp* |
| Brazil | 360.5 | 341.0 | *+5.7%* | 1,242.8 | 956.1 | *+30.0%* |
| *Gross Margin (%)* | *36.8%* | *38.1%* | *-1.3pp* | *40.0%* | *35.2%* | *+4.8pp* |
| International | 0.7 | 12.7 | *-94.7%* | 498.7 | 517.6 | *-3.6%* |
| *Gross Margin (%)* | *0.5%* | *13.2%* | *-12.7pp* | *52.2%* | *53.2%* | *-0.9pp* |
| **Inventories write-off** | **164.3** | **76.8** | ***+113.8%*** | **222.7** | **134.5** | ***+65.6%*** |
| Brazil | 107.8 | 63.9 | *+68.8%* | 166.2 | 113.8 | *+46.0%* |
| International | 56.5 | 13.0 | *+335.4%* | 56.5 | 20.7 | *+173.2%* |
| **Gross Profit Adjusted by write-off** | **525.5** | **433,3** | ***+21.3%*** | **1,964.2** | **1,608.1** | ***+22.1%*** |
| *Adjusted Gross Margin (%)* | *47.5%* | *42.9%* | *+4.6pp* | *48.4%* | *43.6%* | *+4.8pp* |
| Brazil | 468.3 | 404.9 | *+15.7%* | 1,408.9 | 1.069.9 | *+31.7%* |
| *Adjusted Gross Margin (%)* | *47.8%* | *45.2%* | *+2.6pp* | *45.4%* | *39.4%* | *+6.0pp* |
| International | 57.2 | 25.7 | *+122.4%* | 555.3 | 538.3 | *+3.2%* |
| *Adjusted Gross Margin (%)* | *45.1%* | *26.6%* | *+18.5pp* | *58.2%* | *55.3%* | *+2.9pp* |
| **EBITDA (Incl. IFRS16)** | **30.1** | **59.5** | ***-49.4%*** | **342.1** | **198.2** | ***+72.6%*** |
| *EBITDA Margin (%)* | *3.1%* | *6.7%* | *-3.6pp* | *11.0%* | *7.3%* | *+3.7pp* |
| Brazil | 148.8 | 159.9 | *-6.9%* | 497.8 | 306.6 | *+62.4%* |
| *EBITDA Margin (%)* | *15.2%* | *17.9%* | *-2.7pp* | *16.0%* | *11.3%* | *+4.7pp* |
| International | (118.7) | (100.4) | *+18.3%* | (155.7) | (108.4) | *+43.6%* |
| *EBITDA Margin (%)* | *-93.6%* | *-103.9%* | *+10.3pp* | *-16.3%* | *-11.1%* | *-5.2pp* |
| **Adjusted EBITDA by write-off (Incl. IFRS16)** | **194.4** | **136.4** | ***+42.6%*** | **564.8** | **332.6** | ***+69.8%*** |
| *Adjusted EBITDA Margin (%)* | *17.6%* | *13.8%* | *+3.8pp* | *13.9%* | *9.0%* | *+4.9pp* |
| Brazil | 256.6 | 223.8 | *+14.7%* | 663.9 | 420.4 | *+57.9%* |
| *Adjusted EBITDA Margin (%)* | *26.2%* | *25.0%* | *+1.2pp* | *21.4%* | *15.5%* | *+5.9pp* |
| International | (62.2) | (87.4) | *-28.9%* | (99.1) | (87.7) | *+13.0%* |
| *Adjusted EBITDA Margin (%)* | *-49.0%* | *-90.5%* | *+41.5pp* | *-10.4%* | *-9.0%* | *-1.4pp* |

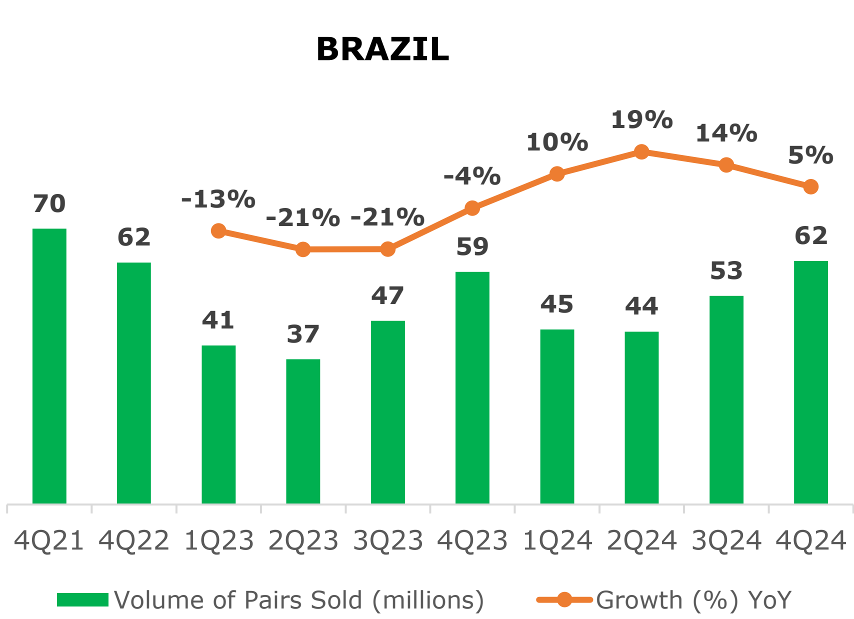
## Volume *(million pairs)*

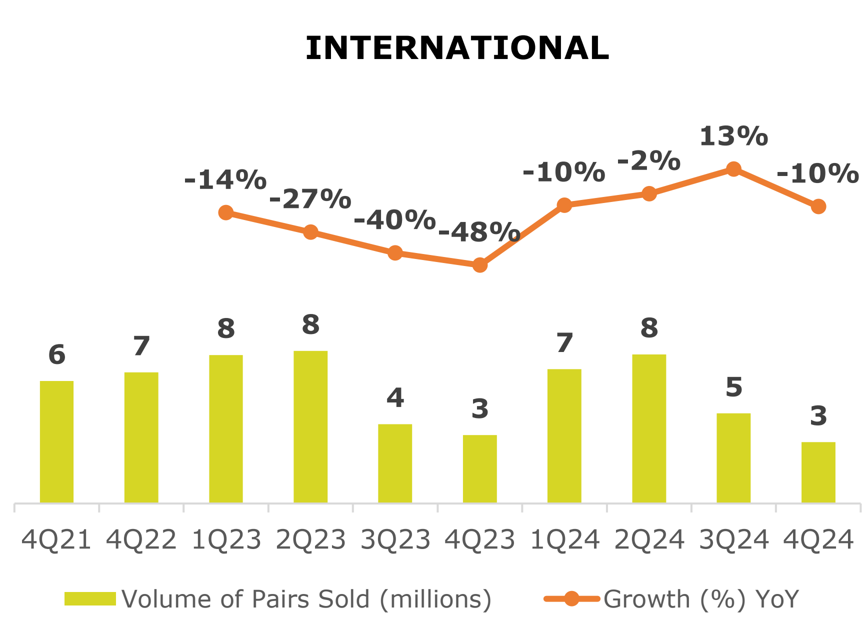



**Havaianas Brazil:** Company sold 62.2 million pairs in 4Q24 and 204.4 million pairs in 2024, representing a +4.8% and +11.1% increase, respectively, compared to the same periods in 2023. In Brazil, sales volume already reflects a more stable operational environment, supported by improved On-Time In-Full (OTIF) delivery accuracy, which remains consolidated at close to 70%, enhancements in our S&OP process, and greater manufacturing and logistics efficiency. Additionally, point-of-sale execution continues to improve, with more brand promoters and closer engagement with customers, ensuring a strong and connected presence tailored to each channel's needs. It is also worth noting that the quarter's volume growth reflects a more normalized comparison base, following inventory right-sizing efforts in the first half of the year. Sell-out remained stable compared to the same period last year, partially offsetting the decline reported in 3Q24. By year-end, the sell-in and sell-out realignment strategy was successfully executed, ensuring that remaining inventory levels across the chain are aligned with healthy benchmarks heading into the beginning of the year, which is still a seasonally period in Brazil.

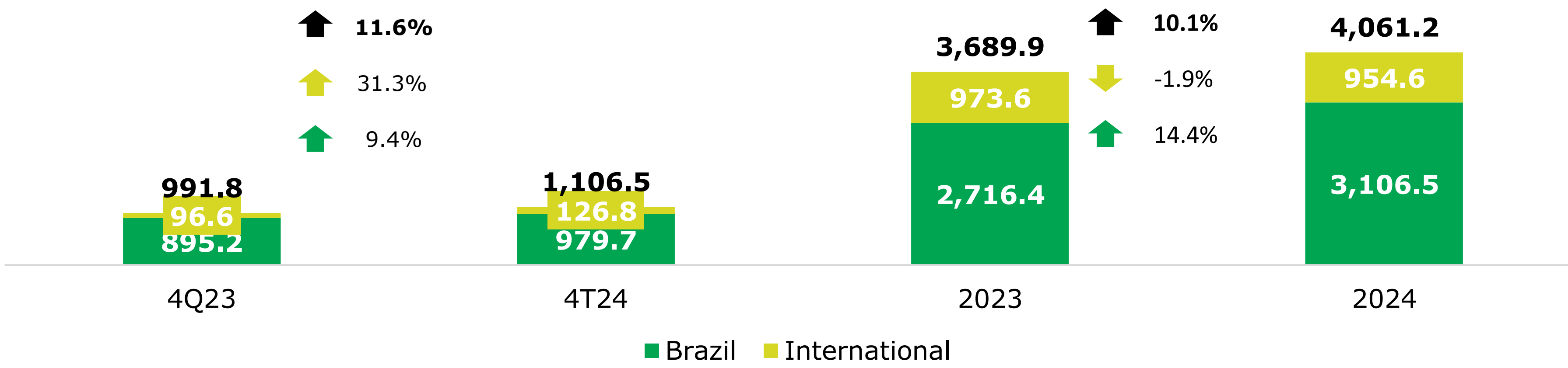
**Havaianas International:** In international operations, 3.1 million pairs were sold in the quarter and 22.2 million pairs for the full year. The decline of 10.5% in 4Q24 and 3.1% for the year is directly related to adjustments in commercial policies, primarily in Latin American markets. The performance of international operations varied across regions, with distinct results in each geography. EMEA reported a 9.7% increase in sales volume, driven by strong performance in MEA countries. The US operation posted a 29.0% increase in quarterly sales volume, fueled by higher sales in digital and off-price channels. Finally, the standardization of commercial guidelines for Distributor Markets, APAC, and LATAM resulted in a 22.7% decline in sales volume compared to 4Q23 —an outcome aligned with the strategic focus on profitability.

**Volume of pairs sold**
Millions of pairs / YoY Growth (%)



## **Net Sales** *(R$ million)*




| (R$ million \| R$ / pair) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Net Sales** | **1,106.5** | **991.8** | ***+11.6%*** | **4,061.2** | **3,689.9** | ***+10.1%*** |
| Brazil | 979.7 | 895.2 | *+9.4%* | 3,106.5 | 2,716.4 | *+14.4%* |
| International | 126.8 | 96.6 | *+31.3%* | 954.6 | 973.6 | *-1.9%* |
| EMEA | 49.0 | 31.9 | *+53.7%* | 587.5 | 632.0 | *-7.0%* |
| NA&C | 24.5 | 18.7 | *+31.3%* | 148.7 | 134.8 | *+10.3%* |
| Distributors | 53.3 | 46.0 | *+15.8%* | 218.3 | 206.7 | *+5.6%* |
| **Net Sales / pair** | **16.93** | **15.78** | ***+7.3%*** | **17.93** | **17.84** | ***+0.5%*** |
| Brazil | 15.75 | 15.08 | *+4.4%* | 15.20 | 14.77 | *+2.9%* |
| International | 40.53 | 27.66 | *+46.6%* | 42.99 | 42.47 | *+1.2%* |

### **Net Sales** *(in constant currency)*

| (R$ million \| R$ / pair) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Net Sales** | **1,106.5** | **1,009.7** | ***+9.6%*** | **3,751.5** | **3,846.1** | ***-2.5%*** |
| Brazil | 979.7 | 895.2 | *+9.4%* | 2.796.8 | 2.716.4 | *+3.0%* |
| International | 126.8 | 114.5 | *+10.8%* | 954.6 | 1.129.7 | *-15.5%* |
| EMEA | 49.0 | 37.4 | *+30.9%* | 587.5 | 727.0 | *-19.2%* |
| NA&C | 24.5 | 22.1 | *+10.9%* | 148.7 | 157.5 | *-5.6%* |
| Distributors | 53.3 | 54.9 | *-3.0%* | 218.3 | 245.2 | *-11.0%* |
| **Net Sales / pair** | **16.93** | **16.06** | ***+5.4%*** | **17.85** | **18.59** | ***-4.0%*** |
| Brazil | 15.75 | 15.08 | *+4.4%* | 14.88 | 14.77 | *+0.7%* |
| International | 40.53 | 32.78 | *+23.6%* | 42.99 | 49.28 | *-12.8%* |

**Note:** For comparison purposes, the constant currency (CC) criterion in Brazilian Reais (BRL) is used. The values are converted to Reais considering the average exchange rate for the period in the current year. For 4Q24 and 4Q23, values in USD were converted at R$ 5.85, and in EUR at R$ 6.26. For the years 2024 and 2023, values in USD were converted at R$ 5.34, and in EUR at R$ 5.67.

Net revenue reached R$1.1 billion in the quarter and R$4.1 billion in 2024, representing growth of 11.6% (+9.6% in constant currency) and 10.1% (-2.5% in constant currency) compared to the same periods in the previous year.

**Havaianas Brazil:** The Brazilian operation recorded 9.4% net revenue growth, driven by a 4.8% increase in sales volume and a 4.4% rise in average price per pair. For the full year, net revenue grew 14.4%, reaching R$3.1 billion. This revenue growth reflects the recovery in sales volume, combined with a more tailored portfolio strategy across channels.

**Havaianas International:** Consolidated net revenue from international operations grew 10.8% in constant currency (CC) YoY in the quarter. Among the regions, EMEA led the growth with a +30.9% increase (CC YoY), followed by the US, which grew +10.9% (CC YoY), while Distributor Markets declined by -3.0% (CC YoY) due to lower sales volume in the quarter. The standardization of commercial policies in distributor-led markets was a key factor behind this performance. While sales volume declined in this business unit, average revenue per pair increased by 23.6% in CC YoY, balancing the overall revenue dynamics.

## COGS *(in R$ million)*

| (R$ million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Cost of sales** | **745.4** | **638.1** | ***+16.8%*** | **2,319.6** | **2,216.2** | ***+4.7%*** |
| Brazil | 619.2 | 554.2 | *+11.7%* | 1,863.8 | 1,760.3 | *+5.9%* |
| International | 126.1 | 83.8 | *+50.4%* | 455.9 | 456.0 | *-0.0%* |
| **(-) Inventories write-offs** | **164.3** | **76.8** | ***+113.8%*** | **222.7** | **134.5** | ***+65.6%*** |
| Brazil | 107.8 | 63.9 | *+68.8%* | 166.2 | 113.8 | *+46.0%* |
| International | 56.5 | 13.0 | *+335.4%* | 56.5 | 20.7 | *+173.2%* |
| **Cost of sales adjusted by write-off** | **581.0** | **561.2** | ***+3.5%*** | **2,097.0** | **2,081.8** | ***+0.7%*** |
| Brazil | 511.4 | 490.4 | *+4.3%* | 1,697.6 | 1,646.5 | *+3.1%* |
| International | 69.6 | 70.9 | *-1.8%* | 399.3 | 435.3 | *-8.3%* |

COGS totaled R$745.4 million in the quarter and R$2.3 billion in 2024, representing increases of 16.8% and 4.7%, respectively, compared to the previous year. Since 2023, the company has been quarterly provisioning for inventory write-offs of raw materials and finished goods with no expected sales. These write-offs resulted in non-recurring impacts on COGS of R$164.3 million in the quarter and R$222.7 million in 2024. Excluding these effects, the cost per pair would have been reduced by R$0.10 for the quarter and R$0.90 for the full year. Additionally, manufacturing labor costs per pair have continued to decline, reinforcing the company's commitment to efficiency gains in production.

## Gross Profit *(in R$ million)*

| (R$ million \| R$ / pair) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Gross Profit** | **361.2** | **353.7** | ***+2.1%*** | **1,741.5** | **1,473.7** | ***+18.2%*** |
| *Gross Margin (%)* | *32.6%* | *35.7%* | *-3.0pp* | *42.9%* | *39.9%* | *+2.9pp* |
| Brazil | 360.5 | 341.0 | *+5.7%* | 1,242.8 | 956.1 | *+30.0%* |
| *Gross Margin (%)* | *36.8%* | *38.1%* | *-1.3pp* | *40.0%* | *35.2%* | *+4.8pp* |
| International | 0.7 | 12.7 | *-94.7%* | 498.7 | 517.6 | *-3.6%* |
| *Gross Margin (%)* | *0.5%* | *13.2%* | *-12.7pp* | *52.2%* | *53.2%* | *-0.9pp* |
| **Gross Profit Adjusted by write-off** | **525.5** | **433,3** | ***+21.3%*** | **1,964.2** | **1,608.1** | ***+22.1%*** |
| *Adjusted Gross Margin (%)* | *47.5%* | *42.9%* | *+4.6pp* | *48.4%* | *43.6%* | *+4.8pp* |
| Brazil | 468.3 | 404.9 | *+15.7%* | 1,408.9 | 1.069.9 | *+31.7%* |
| *Adjusted Gross Margin (%)* | *47.8%* | *45.2%* | *+2.6pp* | *45.4%* | *39.4%* | *+6.0pp* |
| International | 57.2 | 25.7 | *+122.4%* | 555.3 | 538.3 | *+3.2%* |
| *Adjusted Gross Margin (%)* | *45.1%* | *26.6%* | *+18.5pp* | *58.2%* | *55.3%* | *+2.9pp* |
| **Gross Profit / pair** | **5.53** | **5.63** | ***-1.8%*** | **7.69** | **7.12** | ***+7.9%*** |
| Brazil | 5.79 | 5.74 | *+0.9%* | 6.08 | 5.20 | *+17.0%* |
| International | 0.22 | 3.65 | *-94.0%* | 22.46 | 22.58 | *-0.5%* |
| **Adjusted Gross Profit / pair** | **8.04** | **6.85** | ***+17.4%*** | **8.67** | **7.77** | ***+11.5%*** |
| Brazil | 7.53 | 7.04 | *+6.9%* | 6.89 | 5.82 | *+18.5%* |
| International | 18.29 | 7.37 | *+148.3%* | 25.01 | 23.48 | *+6.5%* |

## Gross Profit *(in constant currency)*

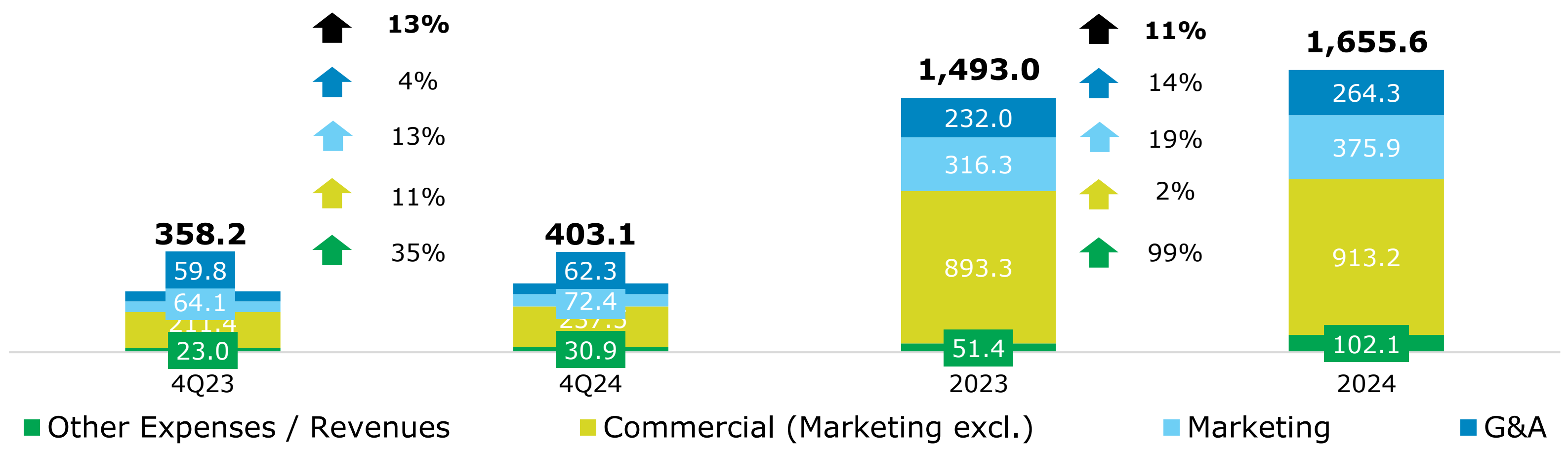
| (R$ million \| R$ / pair) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Gross Profit** | **361.2** | **356.5** | ***+1.3%*** | **1,741.5** | **1,555.3** | ***+12.0%*** |
| *Gross Margin (%)* | *32.6%* | *35.3%* | *-2.7pp* | *42.9%* | *40.4%* | *+2.4pp* |
| Brazil | 360.5 | 341.0 | *+5.7%* | 1,242.8 | 956.1 | *+30.0%* |
| *Gross Margin (%)* | *36.8%* | *38.1%* | *-1.3pp* | *40.0%* | *35.2%* | *+4.8pp* |
| International | 0.7 | 15.5 | *-95.6%* | 498.7 | 599.2 | *-16.8%* |
| *Gross Margin (%)* | *0.5%* | *13.5%* | *-13.0pp* | *52.2%* | *53.0%* | *-0.8pp* |
| **Gross Profit Adjusted by write-off** | **525.5** | **433,3** | ***+21.3%*** | **1,964.2** | **1,689.8** | ***+16.2%*** |
| *Adjusted Gross Margin (%)* | *47.5%* | *42.9%* | *+4.6pp* | *48.4%* | *43.9%* | *+4.4pp* |
| Brazil | 468.3 | 404.9 | *+15.7%* | 1,408.9 | 1,069.9 | *+31.7%* |
| *Adjusted Gross Margin (%)* | *47.8%* | *45.2%* | *+2.6pp* | *45.4%* | *39.4%* | *+6.0pp* |
| International | 57.2 | 28.5 | *+100.9%* | 555.3 | 619.9 | *-10.4%* |
| *Adjusted Gross Margin (%)* | *45.1%* | *24.9%* | *+20.2pp* | *58.2%* | *54.9%* | *+3.3pp* |
| **Gross Profit / pair** | **5.53** | **5.67** | ***-2.5%*** | **7.69** | **7.52** | ***+2.2%*** |
| Brazil | 5.79 | 5.74 | *+0.9%* | 6.08 | 5.20 | *+17.0%* |
| International | 0.22 | 4.44 | *-95.1%* | 22.46 | 26.14 | *-14.1%* |
| **Adjusted Gross Profit / pair** | **8.04** | **6.89** | ***+16.7%*** | **8.67** | **8.17** | ***+6.1%*** |
| Brazil | 7.53 | 7.04 | *+6.9%* | 6.89 | 5.82 | *+18.5%* |
| International | 18.29 | 8.15 | *+124.3%* | 25.01 | 27.04 | *-7.5%* |

Havaianas reported a Gross Profit of R$361.2 million in the quarter, a 2.1% YoY increase (+1.3% in constant currency), and R$1.7 billion in 2024, reflecting an 18.2% YoY growth (+12.0% in constant currency). Excluding the impact of inventory write off provisions mentioned above, Gross Profit would have grown by +22.0% in the quarter and +22.1% over the 12-month period.

**Havaianas Brazil:** Adjusted Gross Profit, excluding the impact of inventory write-off provisions, totaled R$468.3 million, with a Gross Margin of 47.8%, representing a 15.7% increase and a +2.6 p.p. expansion in the quarter. For 2024, Adjusted Gross Profit reached R$1.4 billion, reflecting a 31.7% increase, with a Gross Margin of 45.4%, up +6.0 p.p. vs. 2023.

**Havaianas International:** The Gross Profit also reflected the effects of inventory impairment provisions for the quarter. Excluding this effect, the international segment shows a growth of 100.9% (CC), reaching a Gross Profit of R$57.2 million, with a 20.2 p.p. expansion in Gross Margin compared to 4Q23. For the year, the adjusted Gross Profit was R$555.3 million (CC), excluding the provision effects, showing a decrease of -10.4% and a 3.3 p.p. expansion in Gross Margin.

## **SG&A** *(in R$ million)*




Havaianas' SG&A expenses increased by 13% in the quarter and 11% in 2024, representing a nominal increase of R$44.9 million and R$162.6 million, respectively. The majority of this increase is linked to higher sales volume and increased marketing investments. Additionally, in 2024, the company resumed several activities that were either frozen or non-existent in 2023, such as bonus provisioning, travel, and commercial conventions.

Furthermore, expenses within the Zero-Based Budget (ZBB) fixed cost packages continue to show consistent savings, with a -8% reduction compared to 1Q23, despite the impact of seasonality and foreign exchange effects compared to last quarter (3Q24).

## **EBITDA** *(in R$ million)*

| **(R$ million \| R$ / pair)** | **4Q24** | **4Q23** | **4Q24 vs. 4Q23** | **2024** | **2023** | **2024 vs. 2023** |
|---|---|---|---|---|---|---|
| **EBITDA (Incl. IFRS16)** | **30.1** | **59.5** | ***-49.4%*** | **342.1** | **198.2** | ***+72.6%*** |
| *EBITDA Margin (%)* | *3.1%* | *6.7%* | *-3.6pp* | *11.0%* | *7.3%* | *+3.7pp* |
| Brazil | 148.8 | 159.9 | *-6.9%* | 497.8 | 306.6 | *+62.4%* |
| *EBITDA Margin (%)* | *15.2%* | *17.9%* | *-2.7pp* | *16.0%* | *11.3%* | *+4.7pp* |
| International | (118.7) | (100.4) | *+18.3%* | (155.7) | (108.4) | *+43.6%* |
| *EBITDA Margin (%)* | *-93.6%* | *-103.9%* | *+10.3pp* | *-16.3%* | *-11.1%* | *-5.2pp* |
| **Adjusted EBITDA by write-off (Incl. IFRS16)** | **194.4** | **136.4** | ***+42.6%*** | **564.8** | **332.6** | ***+69.8%*** |
| *Adjusted EBITDA Margin (%)* | *17.6%* | *13.8%* | *+3.8pp* | *13.9%* | *9.0%* | *+4.9pp* |
| Brazil | 256.6 | 223.8 | *+14.7%* | 663.9 | 420.4 | *+57.9%* |
| *Adjusted EBITDA Margin (%)* | *26.2%* | *25.0%* | *+1.2pp* | *21.4%* | *15.5%* | *+5.9pp* |
| International | (62.2) | (87.4) | *-28.9%* | (99.1) | (87.7) | *+13.0%* |
| *Adjusted EBITDA Margin (%)* | *-49.0%* | *-90.5%* | *+41.5pp* | *-10.4%* | *-9.0%* | *-1.4pp* |
| **EBITDA (Incl. IFRS16) / pair** | **0.46** | **0.95** | ***-51.4%*** | **1.51** | **0.96** | ***+57.6%*** |
| Brazil | 2.39 | 2.69 | *-11.2%* | 2.44 | 1.67 | *+46.1%* |
| International | (37.94) | (28.74) | *+32.0%* | (7.01) | (4.73) | *+48.3%* |
| **Adjusted EBITDA (Incl. IFRS16) / pair** | **2.98** | **2.17** | ***+37.1%*** | **2.49** | **1.61** | ***+55.0%*** |
| Brazil | 4.12 | 3.77 | *+9.4%* | 3.25 | 2.29 | *+42.2%* |
| International | (19.87) | (25.03) | *-20.6%* | (4.46) | (3.83) | *+16.7%* |

## **EBITDA** *(in constant currency)*

| (R$ million \| R$ / pair) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **EBITDA (Incl. IFRS16)** | **30.1** | **7.6** | ***+296.5%*** | **342.1** | **179.6** | ***+90.5%*** |
| *EBITDA Margin (%)* | *3.1%* | *0.8%* | *+2.2pp* | *11.0%* | *6.6%* | *+4.4pp* |
| Brazil | 148.8 | 159.9 | *-6.9%* | 497.8 | 306.6 | *+62.4%* |
| *EBITDA Margin (%)* | *15.2%* | *17.9%* | *-2.7pp* | *16.0%* | *11.3%* | *+4.7pp* |
| International | (118.7) | (152.3) | *-22.1%* | (155.7) | (127.0) | *+22.6%* |
| *EBITDA Margin (%)* | *-93.6%* | *-133.1%* | *+39.4pp* | *-16.3%* | *-11.2%* | *-5.1pp* |
| **Adjusted EBITDA by write-off (Incl. IFRS16)** | **194.4** | **84.4** | ***+130.3%*** | **564.8** | **314.1** | ***+79.8%*** |
| *Adjusted EBITDA Margin (%)* | *17.6%* | *8.4%* | *+9.2pp* | *13.9%* | *8.2%* | *+5.7pp* |
| Brazil | 256.6 | 223.8 | *+14.7%* | 663.9 | 420.4 | *+57.9%* |
| *Adjusted EBITDA Margin (%)* | *26.2%* | *25.0%* | *+1.2pp* | *21.4%* | *15.5%* | *+5.9pp* |
| International | (62.2) | (139.3) | *-55.4%* | (99.1) | (106.3) | *-6.7%* |
| *Adjusted EBITDA Margin (%)* | *-49.0%* | *-121.7%* | *+72.7pp* | *-10.4%* | *-9.4%* | *-1.0pp* |
| **EBITDA (Incl. IFRS16) / pair** | **0.46** | **0.12** | ***+281.4%*** | **1.51** | **0.87** | ***+73.9%*** |
| Brazil | 2.39 | 2.69 | *-11.2%* | 2.44 | 1.67 | *+46.1%* |
| International | (37.94) | (43.62) | *-13.0%* | (7.01) | (5.54) | *+26.6%* |
| **Adjusted EBITDA (Incl. IFRS16) / pair** | **2.98** | **1.34** | ***+121.5%*** | **2.49** | **1.52** | ***+64.2%*** |
| Brazil | 4.12 | 3.77 | *+9.4%* | 3.25 | 2.29 | *+42.2%* |
| International | (19.87) | (39.90) | *-50.2%* | (4.46) | (4.64) | *-3.7%* |

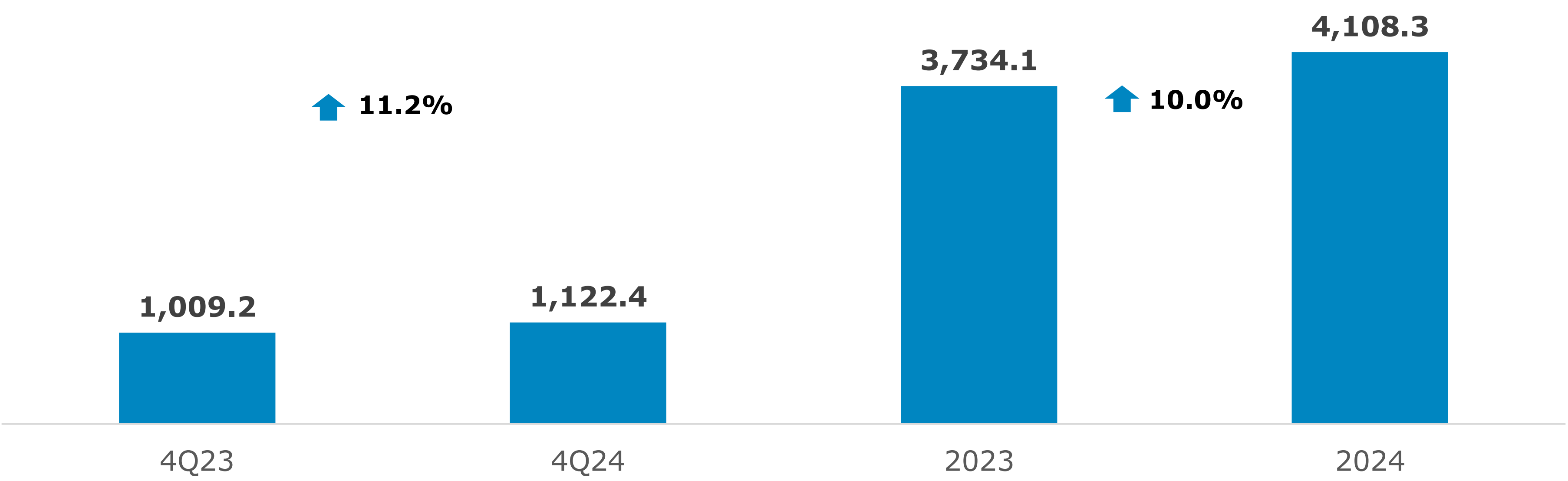
**Havaianas Brazil:** Brazil's EBITDA reached R$148.8 million in the quarter and R$497.8 million for the full year. Excluding the impact of inventory write-off provisions, EBITDA totaled R$256.6 million in the quarter and R$663.3 million in 2024, with an EBITDA margin of 26.2%, reflecting a +1.2 p.p. expansion YoY in the quarter, and 21.4%, with a +5.9 p.p. expansion YoY for the full year.

**Havaianas International:** In international operations, adjusted EBITDA for the quarter was -R$118.7 million, with an EBITDA margin improvement of +10.7 p.p. (+39.4 p.p. in constant currency). Excluding the impact of inventory write-off provisions, EBITDA for international operations would have been -R$62.2 million, with an EBITDA margin of -49%.

Havaianas' adjusted EBITDA, excluding inventory write-off provisions, reached R$194.4 million in the quarter and R$564.8 million in 2024, representing a 42.6% YoY and 69.8% YoY increase, respectively. This resulted in an EBITDA margin expansion of +3.8 p.p. in the quarter and +4.9 p.p. for the full year.

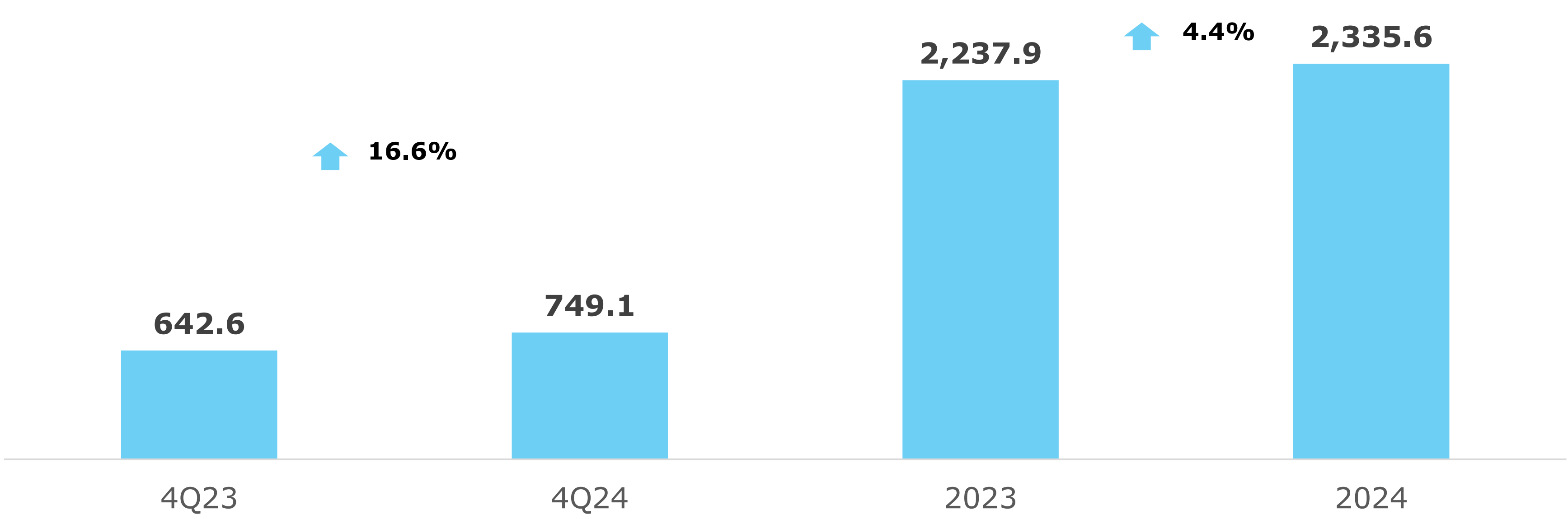
# **Consolidated**
# Financial Performance

## **Net Sales** *(in R$ million)*



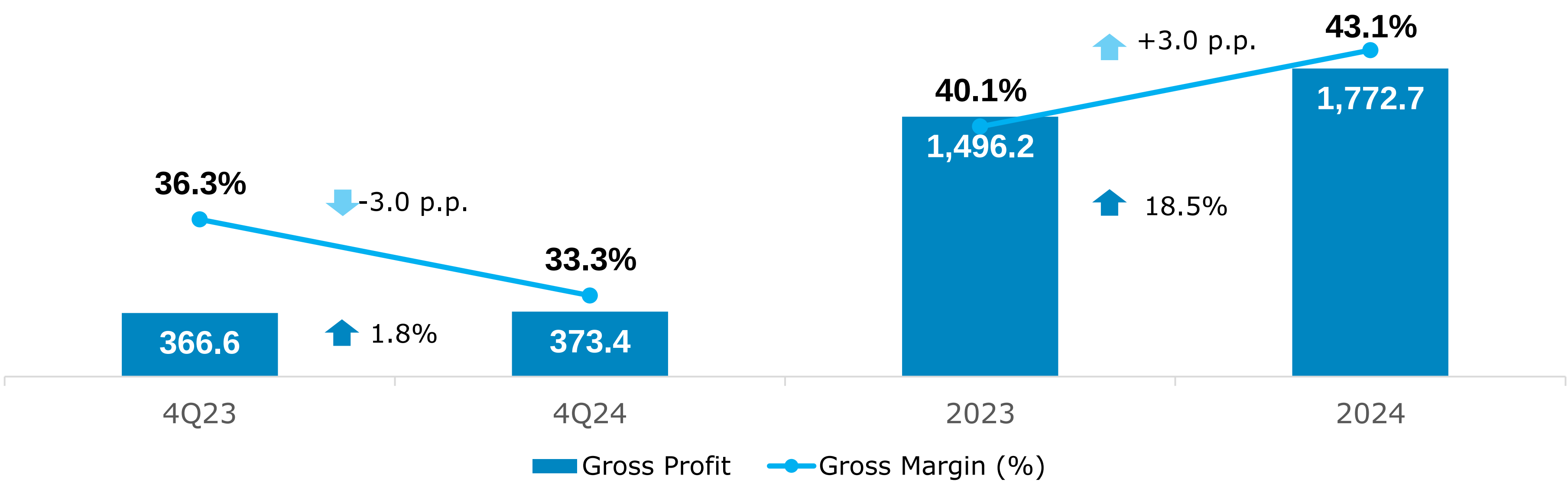

Alpargatas' net revenue reached R$1.1 billion in the quarter and R$4.1 billion in 2024, representing a +11.2% and +10.0% YoY increase, respectively. This growth was driven by improvements in Havaianas' consolidated commercial operations, along with the normalization of sales volume throughout the year.

## **COGS** *(in R$ million)*




COGS increased by 16.6% YoY in the quarter and 4.4% in 2024, impacted by non-recurring effects from inventory write-offs throughout the year. Excluding these effects, quarterly COGS would have been R$584.7 million, reflecting a 3.4% YoY increase. For the full year, COGS would have totaled R$2.1 billion, remaining in line with 2023, but with nearly 20 million additional pairs sold.

## Gross profit *(in R$ million)* and gross margin *(in %)*




Gross Profit grew 1.8% in the quarter and 18.5% in 2024. It is important to highlight that these results were impacted by inventory write-off provisions. Excluding these effects, Gross Profit would have increased by 21.3% in the quarter and 22.4% for the full year. Adjusted Gross Margin would have reached 48.6% in the quarter, expanding +3.9 p.p., and 49.1% for the year, with a +4.9 p.p. expansion in 2024. These results reflect the recovery in sales volume as well as commercial and operational improvements.

## Expenses *(in R$ million)*

| (R$ million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Operating Expenses** | **(444.7)** | **(1,622.4)** | ***-72.6%*** | **(1,742.8)** | **(3,063.2)** | ***-43.1%*** |
| Sales | (331.0) | (278.9) | *+18.7%* | (1,321.1) | (1,218.9) | *+8.4%* |
| General and administrative | (62.4) | (59.8) | *+4.5%* | (263.8) | (232.3) | *+13.6%* |
| Other operating income (expenses). net | (51.3) | (1,283.7) | *-96.0%* | (157.9) | (1,612.0) | *-90.2%* |
| **Extraordinary Items** | **37.8** | **1,261.7** | ***-97.0%*** | **72.7** | **1,570.5** | ***-95.4%*** |
| M&A expenses | 0.4 | 0.6 | *-20.7%* | 1.6 | 2.5 | *-34.8%* |
| Simplification expenses | 17.8 | 2.1 | *+744.4%* | 40.6 | 30.8 | *+31.7%* |
| Provision for loss - A.S.A.I.C. | - | - | - | - | 268.7 | - |
| Assets impairment - Rothy's | - | 1,101.4 | - | - | 1,101.4 | - |
| Assets impairment - Ioasys | - | 111.6 | - | - | 111.6 | - |
| Other expenses / revenues | 19.6 | 46.1 | *-57.5%* | 30.6 | 55.5 | *-45.0%* |
| **Operating Expenses excluding Extraordinary Items** | **(406.9)** | **(360.7)** | ***+12.8%*** | **(1.670.0)** | **(1,492.7)** | ***+11.9%*** |
| *Operating Expenses excluding Extraordinary Items (% NS)* | *36.3%* | *35.7%* | *+0.5pp* | *40.1%* | *40.0%* | *+0.2pp* |

Operating expenses totaled R$447.4 million in the quarter, representing a 72.6% decline compared to 4Q23. For the full year, operating expenses decreased by 43.1%, reaching R$1.7 billion, primarily driven by a reduction in other operating expenses. All other expense categories increased YoY in both periods, in line with the company’s strategy of higher marketing investments and the normalization of operations, including the resumption of previously frozen or non-existent expenses.

Extraordinary expenses totaled R$37.8 million in the quarter, of which R$17.8 million were related to the operational simplification process. In 2024, extraordinary expenses amounted to R$72.7 million, with R$40.6 million allocated to simplification efforts.

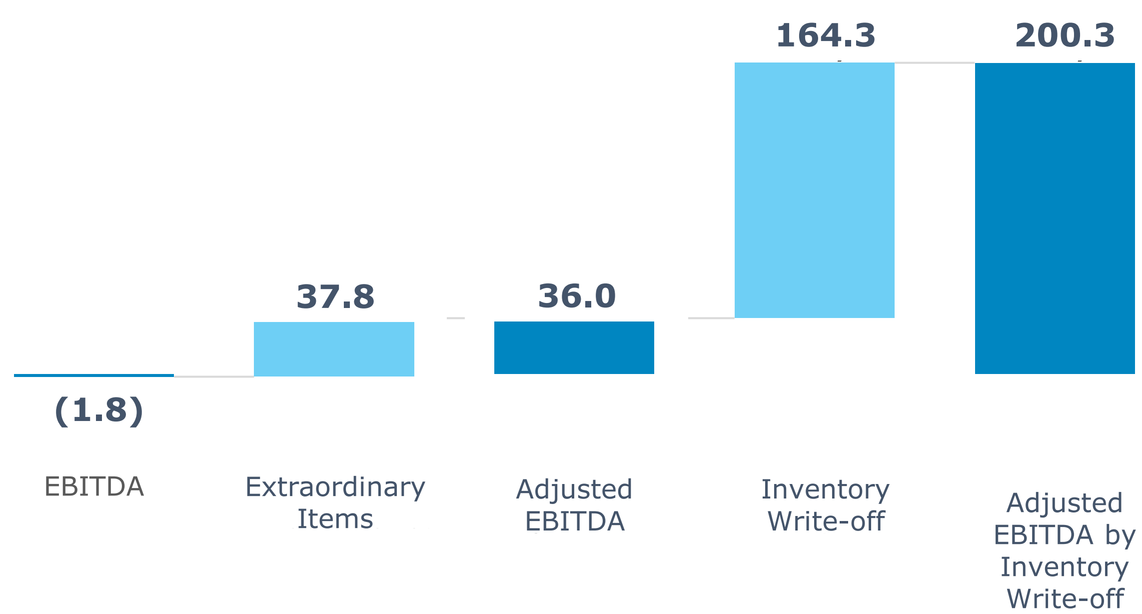
The company reiterates its commitment to strict governance and cost control across all recurring operating expenses. The ZBB cost packages remain consistently below 1Q23 expense levels (-8.0% vs. 1Q23) and would show even greater improvement compared to the previous quarter when excluding foreign exchange effects (-12.0% vs. 1Q23).

# EBITDA and Adjusted EBITDA *(in R$ million)*

| (R$ million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **(=) Gross Profit** | **373.4** | **366.6** | ***+1.8%*** | **1,772.7** | **1,496.2** | ***+18.5%*** |
| *Gross Margin (%)* | *33.3%* | *36.3%* | *-3.1pp* | *43.1%* | *40.1%* | *+3.1pp* |
| **(-) Operating Expenses** | **(444.7)** | **(1,622.4)** | ***-72.6%*** | **(1,742.8)** | **(3,063.2)** | ***-43.1%*** |
| (+) D&A | 69.5 | 61.5 | *+13.2%* | 249.8 | 211.2 | *+18.3%* |
| **(=) EBITDA** | **(1.8)** | **(1,194.4)** | ***-99.8%*** | **279.8** | **(1,355.7)** | **-** |
| *EBITDA Margin (%)* | *-0.2%* | *-118.4%* | *+118.2pp* | *6.8%* | *-36.3%* | *+43.1pp* |
| **(+) Inventories Write-off** | **164.3** | **76.8** | ***+113.8%*** | **222.7** | **134.5** | ***+65.6%*** |
| **(+) Extraordinary Items** | **37.8** | **1,261.7** | ***-97.0%*** | **72.7** | **1,570.5** | ***-95.4%*** |
| **(=) Adjusted EBITDA by Write-off** | **200.3** | **144.2** | ***+38.9%*** | **575.2** | **349.3** | ***+64.7%*** |
| *Adjusted EBITDA Margin (%)* | *17.8%* | *14.3%* | *+3.6pp* | *14.0%* | *9.4%* | *+4.6pp* |

Alpargatas reported a 38.9% increase in adjusted EBITDA, excluding inventory write-offs for the quarter. The year 2024 shows a 64.7% year-over-year growth, reaching R$ 575.2 million.

It is important to emphasize that this result takes into account the increase in investments in marketing and the replenishment of bonus provisions.




# EBITDA Reconciliation *(in R$ million)*

## According to CVM Nº 156

| (R$ million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **(=) Net income** | **2.1** | **(1,606.2)** | **-** | **107.4** | **(1,867.5)** | **-** |
| (-) Income Tax / Social Contribution | (27.3) | (41.4) | -34.0% | (43.9) | (217.4) | -79.8% |
| (+) Fincial result | (19.1) | 27.3 | - | (12.3) | 95.9 | - |
| (+) D&A | 69.5 | 61.5 | *+13.2%* | 249.8 | 211.2 | *+18.3%* |
| (+) Equity income | (27.0) | 364.4 | - | (21.3) | 422.0 | - |
| **(=) EBITDA** | **(1.8)** | **(1,194.4)** | ***-99.8%*** | **279.8** | **(1,355.7)** | **-** |
| (+) Extraordinary Items | 37.8 | 1.261.7 | *-97.0%* | 72.7 | 1.570.5 | *-95.4%* |
| **(=) Adjusted EBITDA** | **36.0** | **67.3** | ***-46.5%*** | **352.5** | **214.8** | ***+64.1%*** |
| *Adjusted EBITDA Margin (%)* | *3.2%* | *6.7%* | *-3.5pp* | *8.6%* | *5.8%* | *+2.8pp* |

# **Net income** *(in R$ million)*

Consolidated Net Income for the quarter was R$2.1 million, while full-year 2024 reached R$107.4 million. Excluding the impact of extraordinary items, net of income tax, adjusted net income would have been R$28.7 million in the quarter and R$157.9 million for the year.

The net financial result was R$19.1 million in the quarter and R$12.3 million for the full year, marking a significant reversal from the negative results of R$27.3 million in 4Q23 and R$95.9 million in 2023. This improvement reflects the recovery of the company's net cash position.

The Equity Income result reversed the losses recorded in 2023, reaching R$27.0 million in the quarter and R$21.3 million for 2024, driven by:

i. recognition of 49.2% of Rothy's results in the quarter, with a profit of R$31.6 million in 4Q24 and R$37.6 million for the full year.

ii. Impact of asset fair value amortization (PPA adjustment) of -R$4.5 million in 4Q24 and -R$16.2 million for the full year.

iii. Dilution of ownership due to Rothy's stock option plan for executives, impacting results by -R$0.1 million in the quarter and -R$0.2 million for the full year.

| **(R$ million)** | **4Q24** | **4Q23** | **4Q24 vs. 4Q23** | **2024** | **2023** | **2024 vs. 2023** |
|---|---|---|---|---|---|---|
| **(=) EBIT** | **(71.4)** | **(1,255.8)** | ***-94.3%*** | **29.9** | **(1,567.0)** | **-** |
| **(+) Financial Result** | **19.1** | **(27.3)** | **-** | **12.3** | **(95.9)** | **-** |
| Financial income | 37.5 | 26.2 | *+43.2%* | 140.6 | 98.1 | *+43.3%* |
| Financial expenses | (44.3) | (49.0) | *-9.5%* | (190.9) | (187.6) | *+1.8%* |
| Exchange variation | 25.9 | (4.6) | - | 62.6 | (6.4) | - |
| **(=) EBT** | **(52.2)** | **(1,283.2)** | ***-95.9%*** | **42.2** | **(1,662.9)** | **-** |
| **(-) Income Tax / Social Contribution** | **27.3** | **41.4** | ***-34.0%*** | **43.9** | **217.4** | ***-79.8%*** |
| **(+) Equity Income** | **27.0** | **(364.4)** | **-** | **21.3** | **(422.0)** | **-** |
| Net Income (49.2% from Rothy's) | 31.6 | 12.0 | *+162.6%* | 37.6 | (25.9) | - |
| Last year results's adjustment | - | - | - | 0.2 | (4.2) | - |
| Surplus value (PPA) amortization | (4.5) | (4.0) | *+13.2%* | (16.2) | (16.1) | *+0.9%* |
| Brand Impairment | - | (372.5) | - | - | (372.5) | - |
| Share dillution (Stock Option) | (0.1) | (0.0) | - | (0.2) | (3.3) | *-93.6%* |
| **(=) Net income from continuing operations** | **2.1** | **(1,606.2)** | **-** | **107.4** | **(1,867.5)** | **-** |
| **(+) Extraordinary Items excl. Income Tax** | **26.7** | **1,611.0** | ***-98.3%*** | **50.5** | **1,818.4** | ***-97.2%*** |
| **(=) Normalized Net Income** | **28.7** | **4.8** | ***+496.7%*** | **157.9** | **(49.1)** | **-** |

# Working capital *(in R$ million and in days of Net Sales*)*

## Inventories

| (R$ million) | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | Δ 4Q23 | Δ 3Q24 |
|---|---|---|---|---|---|---|---|
| **Inventories** | **997.7** | **968.3** | **946.8** | **886.3** | **709.1** | **-288.6** | **-177.2** |
| *in days of NS* | *98* | *94* | *90* | *81* | *63* | *-34* | *-18* |
| Finished goods | 699.3 | 689.8 | 646.7 | 616.4 | 423.1 | -276.2 | -193.3 |
| *in days of NS* | *68* | *67* | *61* | *56* | *38* | *-31* | *-19* |
| Products in process | 48.1 | 46.9 | 40.2 | 33.1 | 31.3 | -16.8 | -1.8 |
| *in days of NS* | *5* | *5* | *4* | *3* | *3* | *-2* | *0* |
| Raw material and others | 250.3 | 231.6 | 259.9 | 236.8 | 254.7 | 4.4 | 17.9 |
| *in days of NS* | *24* | *22* | *25* | *22* | *23* | *-2* | *1* |

## Accounts receivable

| (R$ million) | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | Δ 4Q23 | Δ 3Q24 |
|---|---|---|---|---|---|---|---|
| **Accounts receivable** | **883.7** | **763.3** | **819.2** | **842.9** | **997.9** | **114.1** | **155.0** |
| *in days of NS* | *86* | *74* | *78* | *77* | *89* | *3* | *12* |

## Suppliers

| (R$ million) | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | Δ 4Q23 | Δ 3Q24 |
|---|---|---|---|---|---|---|---|
| **Total Suppliers** | **555.0** | **517.0** | **570.7** | **606.6** | **626.2** | **71.3** | **19.6** |
| *in days of NS* | *54* | *50* | *54* | *55* | *56* | *2* | *0* |
| Suppliers | 395.1 | 381.3 | 449.0 | 459.8 | 455.4 | 60.3 | -4.4 |
| Forfaiting | 159.9 | 135.7 | 121.6 | 146.8 | 170.8 | 11.0 | 24.1 |

**Note:** Net sales for the last 12 months.

A cash release of R$41.8 million related to the variation in core working capital accounts in 4Q24 was driven by:

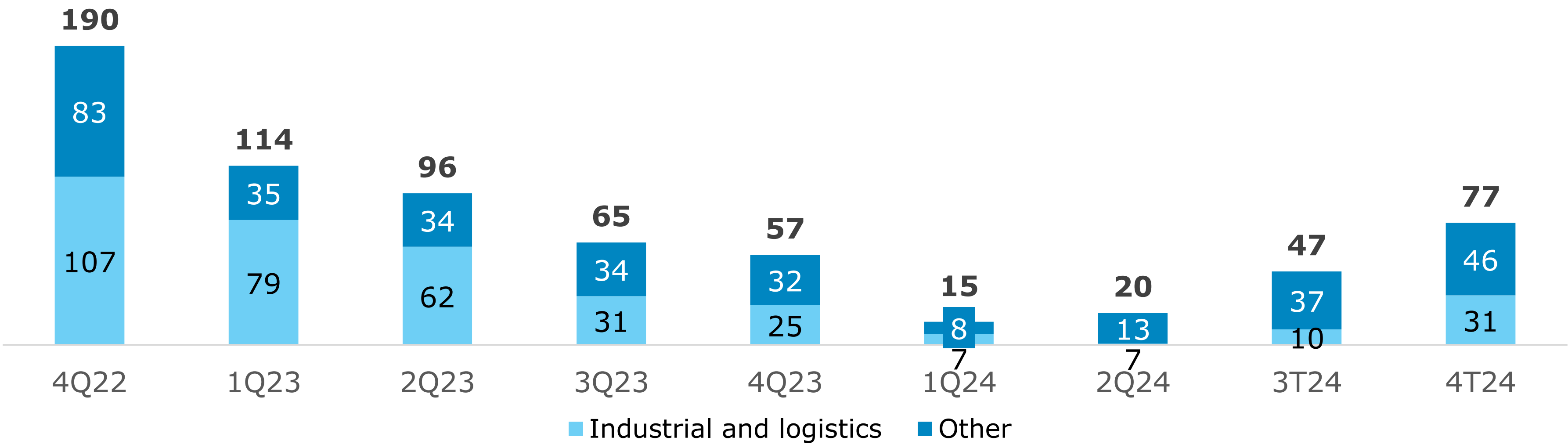
i. Inventory variation of -R$177.2 million vs. 3Q24, explained by a -R$193.3 million reduction in finished goods inventory, resulting from both normal commercial flows and inventory write-offs. The average finished goods inventory turnover decreased by -31 days of net revenue compared to 4Q23, aligning with levels observed between 2016 and 2018. The total inventory turnover also improved, decreasing by -34 days vs. 4Q23.

ii. Increase of R$155.0 million in accounts receivable vs. 3Q24, reflecting the seasonality of sales during the quarter. Compared to 4Q23, the average collection period increased by only 3 days of net revenue.

iii. Increase of R$19.6 million in accounts payable vs. 3Q24, due to higher raw material purchases for the coming quarters. The average payment period to suppliers increased by 2 days of net revenue vs. 4Q23.

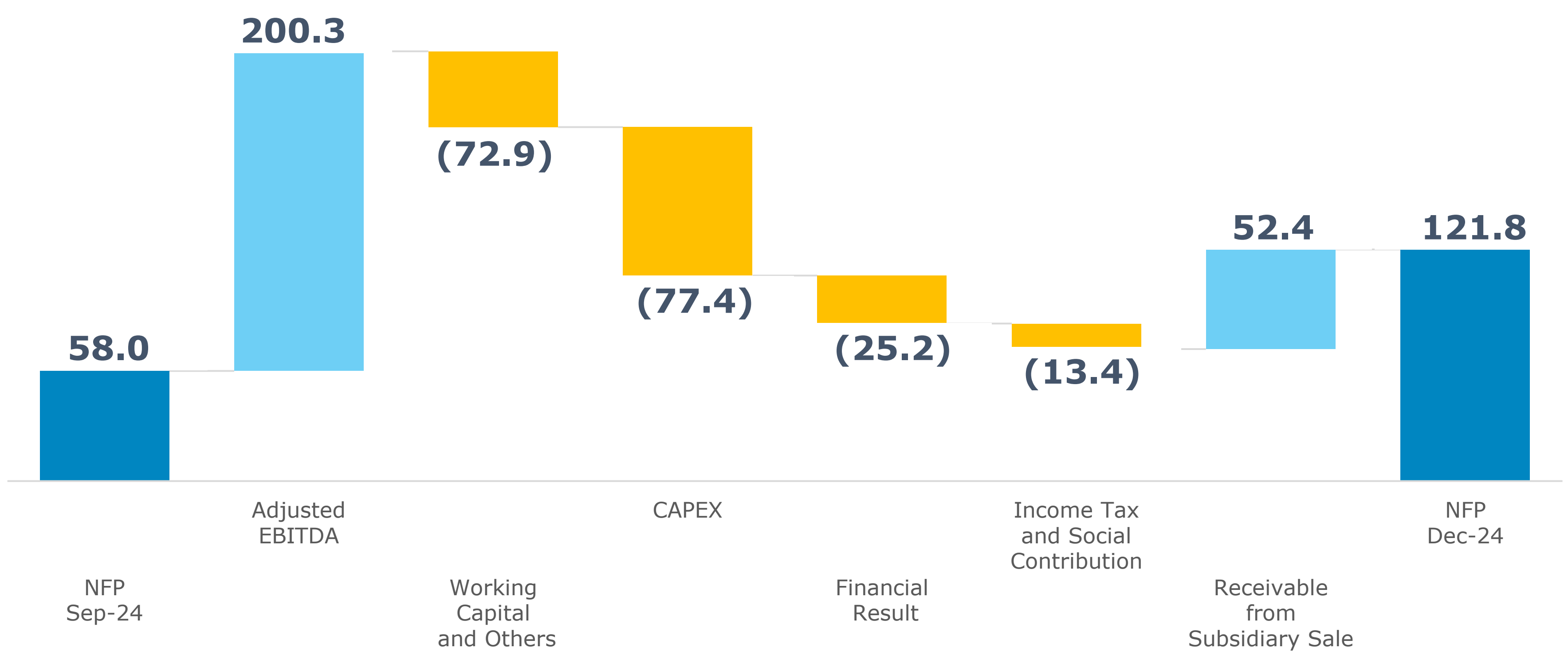
[1]In the Forfait operation, suppliers transfer the right to receive securities to the bank in exchange for the early receipt of the security. The bank then becomes the creditor of the operation, and Alpargatas settles the security on the originally agreed date with its supplier, without changing the terms, prices, and conditions previously established with the supplier. This operation does not generate financial expenses for Alpargatas.

## CAPEX *(in R$ million)*



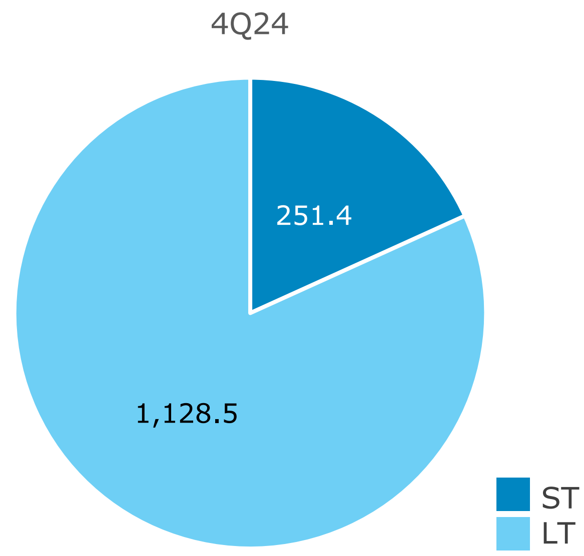

A total of R$77.4 million was invested in 4Q24, bringing total investments for 2024 to R$159.0 million — approximately R$20 million below the approved CAPEX for the year, representing a 52% reduction compared to total investments in 2023. The majority of investments this year were allocated to commercial projects, digital transformation, innovation, IT, and other initiatives.

## Net financial position *(in R$ million)*




The Company closed the quarter with a net financial position of R$121.8 million, representing an improvement of R$63.9 million compared to the net cash in 3Q24. In this quarter, Adjusted EBITDA was a key factor for cash generation. Additionally, the Company received the final installment related to the sale of Osklen, amounting to R$52.4 million in this quarter.

## Indebtedness and leverage *(in R$ million)*

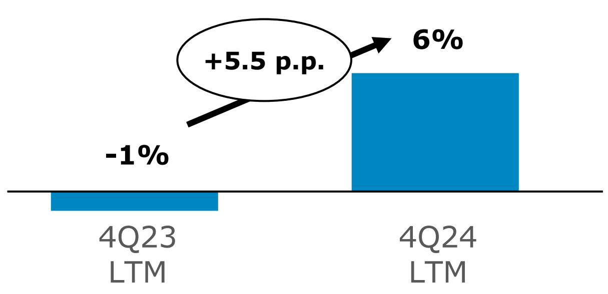



| (R$ million) | 4Q24 | 4Q23 |
|---|---|---|
| **Loans and Financing** | **1,379.8** | **1,485.6** |
| Short Term | 251.4 | 127.4 |
| Long Term | 1,128.5 | 1,358.2 |
| Financial instrument | (43.7) | - |
| **Cash and Investments** | **1,501.7** | **934.4** |
| Cash and cash equivalents | 191.2 | 138.5 |
| Short Term | 1,297.3 | 784.0 |
| Long Term | 13.2 | 11.9 |
| **Net Debt** | **(121.8)** | **551.2** |
| **Adjusted EBITDA (LTM)** | **352.5** | **214.8** |
| **Net Debt / Adjusted EBITDA** | **-0.3** | **2.6** |

*For the calculation of Gross Debt, the financial hedge instrument linked to the long-term debt was included, which, starting from 4Q24, was reclassified to the “Other Receivables” account in non-current assets.

## Return on invested capital (ROIC)

ROIC reached 6% in 4Q24 LTM, reflecting an increase of 5.5 p.p. compared to 4Q23 LTM.



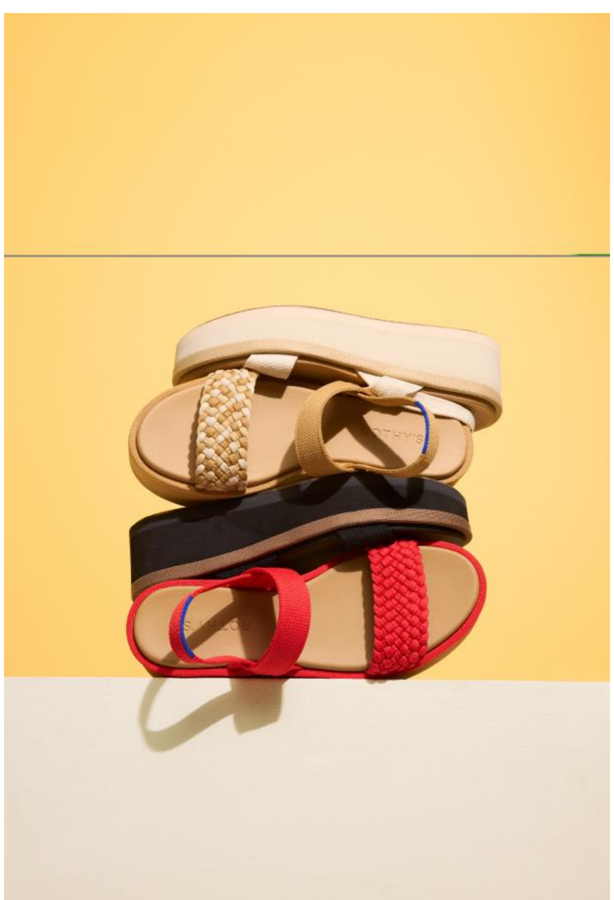

***Calculation methodology:**
Reported net income excluding financial results and extraordinary items in the last 12 months, divided by the average of the last 12 months of invested capital (net debt and equity).

# Rothy's

Rothy's closed 2024 with strong fourth-quarter performance. Net revenue increased by 20.1% YoY in the quarter and 16.8% YoY for the year, reaching $78.1 million in 4Q24 and $210.6 million for the full year. This growth was driven by successful Black Friday and Cyber Week campaigns, as well as increased sales in department stores and physical retail locations.

Gross margin expanded by 7.3 p.p. YoY, reflecting continued industrial efficiency gains, a well-balanced product mix, and logistics improvements, including lower freight costs between China and the U.S. and last-mile optimization. SG&A expenses increased 17.7% in the quarter, mainly due to higher sales volume. However, for the full year, expenses were well-managed, growing by only 2.4% compared to 2023.

EBITDA surged by 167.7% in the quarter, reaching $12.7 million. For the full year, EBITDA turned around from a $9.2 million loss in 2023 to $17.7 million in 2024. EBITDA margin for the quarter was 14.1%, expanding by 5.4 p.p. YoY, while full-year EBITDA margin stood at 6.4%, with an 11.6 p.p. expansion.



## 4Q24

| (USD million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **(=) Net Sales** | **78.1** | **65.1** | ***+20.1%*** | **210.6** | **180.3** | ***+16.8%*** |
| **(-) Custo dos produtos vendidos** | **(26.0)** | **(26.4)** | ***-1.5%*** | **(74.3)** | **(72.2)** | ***+2.9%*** |
| **(=) Lucro Bruto** | **52.1** | **38.6** | ***+34.9%*** | **136.3** | **108.0** | ***+26.1%*** |
| *Margem Bruta (%)* | *66.7%* | *59.4%* | *+7.3pp* | *64.7%* | *59.9%* | *+4.8pp* |
| **(-) Despesas Operacionais** | **(42.3)** | **(35.9)** | ***+17.7%*** | **(127.8)** | **(124.8)** | ***+2.4%*** |
| **(=) EBIT** | **9.8** | **2.7** | ***+264.0%*** | **8.4** | **(16.8)** | **-** |
| **(+) D&A** | **2.8** | **2.0** | ***+39.7%*** | **9.3** | **7.6** | ***+22.6%*** |
| **(=) EBITDA** | **12.7** | **4.7** | ***+167.7%*** | **17.7** | **(9.2)** | **-** |
| *Margem EBITDA (%)* | *16.2%* | *7.3%* | *+19.8pp* | *8.4%* | *-5.1%* | *+13.5pp* |
| **(=) Lucro líquido** | **11.0** | **5.6** | ***+95.5%*** | **13.4** | **(9.5)** | **-** |
| *Margem Líquida (%)* | *14.1%* | *8.7%* | *+5.4pp* | *6.4%* | *-5.3%* | *+11.6pp* |

| (USD million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **Lojas** | 26 | 17 | *+8* | 26 | 17 | *+9* |
| **Same Store Sales** | 20.0% | 14.1% | *+5.9pp* | 29.0% | 1.2% | *+27.8pp* |
| **Contribuição das lojas físicas na Receita (%)** | 16.0% | 10.3% | *+5.7pp* | 17.8% | 12.5% | *+5.3pp* |
| **Contribuição de clientes recorrentes na Receita (%)** | 41.6% | 62.0% | *-20.4pp* | 43.0% | 60.0% | *-17.0pp* |
| **Marketing + Despesas Lojas (US$ million)** | 20.4 | 20.2 | *+1.0%* | 59.6 | 63.6 | *-6.3%* |

# Income Statement *(in R$ million)*

| (R$ million) | 4Q24 | 4Q23 | 4Q24 vs. 4Q23 | 2024 | 2023 | 2024 vs. 2023 |
|---|---|---|---|---|---|---|
| **(=) Net sales** | **1,122.4** | **1,009.2** | ***+11.2%*** | **4,108.3** | **3,734.1** | ***+10.0%*** |
| (-) Cost of sales | (749.1) | (642.6) | *+16.6%* | (2,335.6) | (2,237.9) | *+4.4%* |
| **(=) Gross Profit** | **373.4** | **366.6** | ***+1.8%*** | **1,772.7** | **1,496.2** | ***+18.5%*** |
| *Gross Margin (%)* | *33.3%* | *36.3%* | *-3.1pp* | *43.1%* | *40.1%* | *+3.1pp* |
| (-) Operating Expenses | (444.7) | (1,622.4) | *-72.6%* | (1,742.8) | (3,063.2) | *-43.1%* |
| Sales | (331.0) | (278.9) | *+18.7%* | (1,321.1) | (1,218.9) | *+8.4%* |
| General and administrative | (62.4) | (59.8) | *+4.5%* | (263.8) | (232.3) | *+13.6%* |
| Other operating income (expenses). net | (51.3) | (1,283.7) | *-96.0%* | (157.9) | (1,612.0) | *-90.2%* |
| **(=) EBIT** | **(71.4)** | **(1,255.8)** | ***-94.3%*** | **29.9** | **(1,567.0)** | **-** |
| (+) Financial Result | 19.1 | (27.3) | - | 12.3 | (95.9) | - |
| Financial income | 37.5 | 26.2 | *+43.2%* | 140.6 | 98.1 | *+43.3%* |
| Financial expenses | (44.3) | (49.0) | *-9.5%* | (190.9) | (187.6) | *+1.8%* |
| Exchange variation | 25.9 | (4.6) | - | 62.6 | (6.4) | - |
| **(=) EBT** | **(52.2)** | **(1,283.2)** | ***-95.9%*** | **42.2** | **(1,662.9)** | **-** |
| (-) Income Tax / Social Contribution | 27.3 | 41.4 | *-34.0%* | 43.9 | 217.4 | *-79.8%* |
| **(=) Net income continuing op. (Exc. Equity Accounting)** | **(24.9)** | **(1,241.8)** | ***-98.0%*** | **86.1** | **(1,445.5)** | **-** |
| (+) Equity Income | 27.0 | (364.4) | - | 21.3 | (422.0) | - |
| Net Income (49.2% from Rothy's) | 31.6 | 12.0 | *+162.6%* | 37.6 | (25.9) | - |
| Last year results's adjustment | (4.5) | (4.0) | *+13.2%* | (16.2) | (16.1) | *+0.9%* |
| Brand Impairment | - | (372.5) | - | - | (372.5) | - |
| Share dilution (Stock Option) | (0.1) | (0.0) | - | (0.2) | (3.3) | *-93.6%* |
| **(=) Net Income** | **2.1** | **(1,606.2)** | **-** | **107.4** | **(1,867.5)** | **-** |
| *Net Margin (%)* | *0.2%* | *-159.2%* | *+159.3pp* | *2.6%* | *-50.0%* | *+52.6pp* |

# **Balance Sheet** *(in R$ million)*

| ASSETS | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **CURRENT** | | |
| Cash and cash equivalents | 1,488.5 | 922.5 |
| Accounts receivable from clients | 997.9 | 883.7 |
| Inventories | 709.1 | 997.7 |
| Recoverable taxes | 179.3 | 227.7 |
| Prepaid expenses | 46.4 | 39.5 |
| Accounts receivable on sale of subsidiary | - | 48.5 |
| Other credits | 37.9 | 79.9 |
| **Total current assets** | **3,459.1** | **3,199.6** |
| **NONCURRENT** | | |
| Financial investments | 13.2 | 11.9 |
| Recoverable taxes | 96.7 | 97.6 |
| Deferred income and social contribution taxes | 291.0 | 259.2 |
| Court deposits | 36.8 | 31.3 |
| Other credits | 56.6 | 16.8 |
| **Long-term assets** | | |
| Investments | 835.6 | 627.9 |
| Fixed assets | 1,430.1 | 1,412.2 |
| Right-of-use asset | 174.6 | 173.2 |
| Intangible | 446.0 | 497.7 |
| **Total noncurrent assets** | **3,380.6** | **3,127.8** |
| **TOTAL ASSETS** | **6,839.7** | **6,327.4** |

| LIABILITIES AND NET EQUITY | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **CURRENT** | | |
| Suppliers | 455.4 | 395.1 |
| Forfait | 170.8 | 159.9 |
| Loans and debts | 251.4 | 127.4 |
| Leasing liabilities | 38.1 | 34.9 |
| Tax liabilities | 79.5 | 35.6 |
| Long-term incentive plan | 5.9 | 3.0 |
| Provisions and other liabilities | 139.2 | 147.4 |
| Labor and social security liabilities | 173.3 | 73.9 |
| Provision for tax. civil and labor contingencies | 16.7 | 5.7 |
| Interests on capital and payable dividends | 19.3 | 2.2 |
| **Total current liabilities** | **1,349.6** | **985.1** |
| **NONCURRENT** | | |
| Loans and debts | 1,172.2 | 1,358.2 |
| Leasing liabilities | 151.7 | 150.1 |
| Deferred income tax and social contribution | 0.1 | 0.2 |
| Provision for tax. civil and labor contingencies | 2.4 | 5.2 |
| Long-term incentive plan | 4.5 | 6.5 |
| Accounts payable on sale of subsidiary | 82.8 | 78.9 |
| Other liabilities | 40.1 | 15.7 |
| **Total noncurrent liabilities** | **1,453.7** | **1,614.8** |
| **NET EQUITY** | | |
| Share Capital | 3,906.9 | 3,967.1 |
| Capital reserves | 189.4 | 153.5 |
| Revenue reserve | 39.3 | 1,806.1 |
| Accumulated Loss | - | (1,866.4) |
| Interests on capital and payable dividends proposal | 51.5 | - |
| Other comprehensive income | (151.5) | (333.6) |
| **Assigned shareholders' equity to controlling shareholders** | **4,035.6** | **3,726.8** |
| Non-controlling shareholders' | 0.8 | 0.7 |
| **Total net equity** | **4,036.4** | **3,727.5** |
| **TOTAL LIABILITIES AND NET EQUITY** | **6,839.7** | **6,327.4** |

ALPARGATAS havaianas ioasys ROTHY'S

## Cash FlowStatement *(in R$ million)*

| (R$ million) | 2024 | 2023 |
|---|---|---|
| **Net cash generated (consumed) in operating activities** | **845.0** | **371.6** |
| **Adjustments to reconcile net income for the year from continued operation the net cash generated by operating activities** | **719.3** | **311.8** |
| Net income from continued operations | 107.4 | (1,867.5) |
| Depreciation and amortization | 202.9 | 167.9 |
| Income (loss) from sale/write-off of property. plant and equipment | 1.6 | 9.9 |
| Equity in net income of subsidiaries | (21.3) | 422.0 |
| Interest. monetary. and exchange rate variations | 91.4 | 134.8 |
| Provision for labor. civil and tax contingencies | 43.0 | 23.8 |
| Income tax and social contribution - current and deferred | (43.9) | (217.4) |
| Inventory losses - provision and adjustment | 253.2 | 107.4 |
| Provision for expected loss on accounts receivable | 16.0 | 29.3 |
| Inflation adjustment of judicial deposits and tax credits | (13.1) | (18.5) |
| rovision for impairment of property. plant. and equipment/intangible assets | - | 20.8 |
| Other provisions | - | (0.7) |
| Interest provision - IFRS 16 | 15.2 | 15.9 |
| Depreciation from right-of-use assets - IFRS 16 | 46.9 | 43.3 |
| Gain (loss) on write-off of right-of-use - IFRS 16 | (0.1) | (0.4) |
| Provision for long-term incentive plan | 19.9 | (19.7) |
| Provision for loss on accounts receivable from the sale of subsidiaries | - | 268.7 |
| Impairment Provision - Goodwill | - | 1,192.2 |
| **Decrease (increase) in assets and liabilities** | **311.7** | **231.4** |
| Accounts receivable from clients | (19.7) | 166.2 |
| Inventories | 115.7 | 277.6 |
| Prepaid expenses | (4.1) | 3.7 |
| Recoverable taxes | 65.4 | 141.5 |
| Suppliers | (23.5) | (294.8) |
| Forfait | 11.0 | (57.5) |
| Tax liabilities | 69.9 | (14.1) |
| Labor and social security liabilities | 95.6 | (20.7) |
| Contingencies | (34.8) | (27.1) |
| Others | 36.2 | 56.8 |
| **Cash (consumed in) generated from operations** | **1,030.9** | **543.3** |
| (Payments) / refunds of income tax and social contribution | (22.4) | (11.6) |
| Payment of charges. loans and debts | (151.2) | (144.3) |
| Payment of lease interest - IFRS 16 | (12.2) | (15.9) |
| **Net cash (used) in investment activities** | **(104.9)** | **(279.6)** |
| Acquisition of property. plant and equipment and intangible assets | (159.0) | (332.0) |
| Cash investments | 1.7 | 5.2 |
| Receipt from the sale of subsidiary | 52.4 | 47.2 |
| **Net cash generated from (used in) financing activities** | **(201.8)** | **184.7** |
| Borrowings and financing proceeds | 206.7 | 481.0 |
| Payment of loans and borrowings - Principal | (362.3) | (260.3) |
| Payment of interest on shareholders' equity and dividends | (0.0) | (0.0) |
| Payment of lease principal - IFRS 16 | (46.1) | (36.0) |
| **Foreign exchange effect on cash and cash equivalents** | **27.6** | **(1.6)** |
| **Increase (decrease) in cash and cash equivalents** | **566.0** | **275.0** |
| **Initial balance of cash and cash equivalents** | **922.5** | **647.5** |
| **Final balance of cash and cash equivalents** | **1,488.5** | **922.5** |

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**INVESTOR RELATIONS**
ri@alpargatas.com